United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, THURSDAY, JULY 25, 2002 No. 103

House of Representatives

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

All powerful Lord, for all of us some days are better than others, some tasks You ask of Your servants are more difficult than others. But You are always faithful and abide with us.

Strengthen the constitutional commitments of the Members of the House of Representatives in their work today. We seize this moment to pray also for all those who are in a time of transition. Change is sometimes sought for various reasons, but in the end change is never easy for any of us.

Guide and sustain, in Your wisdom, all those leading in this Chamber to pursue other goals. In those moments when vulnerability is most evident, uphold Your servants in perseverance and peace.

Lord, we pray also for all former Members of Congress. Continue to guide them along the way, reveal to them the truth, and bring them to the fullness of life. We humbly ask this of You who live and reign now and forever. Amen

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. GIBBONS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Speaker's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. GIBBONS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas (Mr. LAMPSON) come forward and lead the House in the Pledge of Allegiance.

Mr. LAMPSON led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will receive ten 1-minute speeches on each side.

CROOKED EXECUTIVES

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, yesterday we watched on television as several crooked corporate executives were arrested and carted off to jail by Bush administration officials. I have no doubt that there will be more arrests before long.

These are the very worst kind of crooks. They tricked investors, stole from employees, and robbed from retirees. They should go to jail and stay there for a very long time and their ill-gotten gains should be taken back from them. I mean their mansions, their yachts, and their private airplanes, all of which were bought with money that they got through fraud. And I think we all need to take a look at what led to the scandals in the first place. The excesses of the decade of the '90s clearly got out of hand; so much so, in fact, that decade is well known as the decade of irresponsibility. And national leaders like the chairman of the Democratic National Committee, who made $18 million from a $100,000 investment in Global Crossing and then knew to get out just in exactly the same time all the crooked executives got out, should think about the example they set.

But at the end of the day, President Bush and the law enforcement bodies under his command will come down hard on these corporate crooks. And that will be a powerful deterrent.

HARVEY PITT

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, that was an extraordinary twist on what is happening. This is a rare loss for the corporate lobbyist, the White House, the Republican House leadership, all of whom stonewalled meaningful reform until the public outrage had grown to the point where they feared the public more than they feared their corporate contributors and patrons.

This is a good start, this bill. It is not enough. But there are two words, two words, that will block any effective prosecution and enforcement even under this new legislation. What are those two words? Harvey Pitt. The morally, ethically compromised head of the Securities and Exchange Commission, their former lobbyist of the same accounting firms and security firms that have been defrauding the American people, the same lobbyists who fought all these reforms, he is the person chosen by President Bush as the best person to head up this new effort to get tough on corporate crime. Out of 270 million people in the United States of America, there is not one person

Printed on recycled paper.

who is knowledgeable who is not totally compromised like Mr. Pitt? The President must replace Mr. Pitt if we are going to really get tough about corporate scandals and get a real reform.

ENCOURAGE CLEAN, RENEWABLE ALTERNATIVE ENERGIES

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, our Nation needs a comprehensive energy policy, and this Chamber passed H.R. 4, Securing America's Future Energy Act, nearly one year ago. Among its many sensible and necessary energy policy provisions, this bill included incentives for the production of geothermal energy.

Nevada is literally the heart, the center, of the geothermal energy in the western part of our Nation. Unfortunately most of these valuable resources are located far underneath public land, and with over 87 percent of Nevada's land managed by the Federal Government, Nevada's potential to provide clean energy to the West is severely inhibited.

It is time that we unlock these resources and encourage the production of clean and renewable alternative energies. I urge the Conference Committee to report a comprehensive energy bill that meets our Nation's 21st century needs by actively encouraging the production of geothermal and other alternative energies.

PREVENTING CHILD ABDUCTIONS

(Mr. LAMPSON asked and was given permission to address the House for 1 minute.)

Mr. LAMPSON. Mr. Speaker, we continue to see a great deal about child abductions in the news. That is good. Not all children have to be abducted, and all of the abductions do not have to end in the difficulties that we have seen in our news recently. So I rise today to urge parents to make sure that they know how to prevent child abductions and what to do when they occur. On May 23, the National Missing Children's Day, the National Center for Missing and Exploited Children and its partner, ADVO, released a survey that showed some parents lack information critical to recovering children who have been abducted. The survey showed results that many parents are missing opportunities to help prevent those abductions.

According to law enforcement officials, information such as height, weight, eye color and a recent photograph are critically important when searching for a missing child.

However, the survey shows that 22 percent of parents do not know the height, weight and eye color for their children. In the event of an emergency, it is critical for parents to have readily available their child's accurate physical description and a recent photograph so law enforcement can act immediately and effectively.

I would like to emphasize that parents should make sure that they have a portrait ID-like photo, and I encourage parents throughout the Nation to take a moment and make sure that they have this vital information readily available, in the unlikely event their child should go missing.

BLOOD DRIVE HONORING THE HON. FLOYD SPENCE

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, this week the American Red Cross will host a blood drive in memory of my friend, mentor, and predecessor, the late Representative Floyd Spence. His historic double lung transplant in 1988 by Dr. Shehadri Raju of Jackson, Mississippi, as well as his kidney transplant he received from his son, David, enabled him to provide consummate leadership to South Carolina and the Nation. His surgeries would not have been possible without volunteer blood donations.

Every second, someone in America depends upon a life-saving volunteer blood donation. In addition to organ transplant recipients, blood is used every day for children with sickle cell anemia, cancer patients, and trauma victims.

I would like to thank the Congressman's beloved widow, Mrs. Debbie Spence, for her generous involvement with this blood drive, and I would also like to recognize Ms. Laura Haas and Mr. Noah Simon for organizing this crucial event.

Mr. Speaker, I encourage my colleagues and staff to visit the Rayburn foyer today and tomorrow between 9 a.m. and 3 p.m. to give the gift of life.

CALIFORNIA SETS THE STANDARD FOR AUTO EMISSIONS

(Ms. SANCHEZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SANCHEZ. Mr. Speaker, on Monday, California set a revolutionary precedent in the effort to curb carbon pollution and greenhouse gases. Governor Gray Davis signed into law legislation that will for the first time reduce the amount of emissions coming from the tailpipes of all passenger vehicles sold in the State of California.

Carbon dioxide is one of the main contributors to global warming, and 59 percent of California's carbon dioxide comes from vehicle pollution. With this law, California joins a longstanding and successful effort by nations throughout the world to combat the gradual and the devastating warming of the earth's atmosphere.

I want to commend the California State legislators, agencies, environmentalists, and organizations from all over the country for coming together in the tireless effort to see that this initiative becomes law in California.

Once again, California is at the forefront of environmental protection, and I hope that the rest of the Nation will look to this new law as the standard when adopting their own air quality priorities.

PASS CORPORATE ACCOUNTABILITY ACT

(Mr. PENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PENCE. Mr. Speaker, as the markets struggle under the weight of billowing examples of corporate greed and fraud over the past several months, yesterday there were finally signs of hope.

President Bush and law enforcement officials have acted decisively against corporate crooks. It seems as though the markets are responding. A single day rally almost set an all-time record in the Dow Jones industrial average yesterday. Investors are coming back, confidence is rising.

Mr. Speaker, now it is our turn to in this body set aside partisan politics and bickering and pass the bipartisan corporate accountability legislation that will bring to this floor tough new standards, tough new criminal measures against corporate crooks. Righteousness exalts a Nation. Let us bring new standards with old values in this new corporate accountability act, and further strengthen the confidence of the American people in the American economy and in the American dream.

CONGRESS MUST CHECK RAW POWER OF EXECUTIVE

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, when Members of Congress take an oath to defend the Constitution of the United States, that includes defending article I, section 8 which says that only Congress shall have the power to declare war.

The administration is proceeding with plans to invade Iraq, first with an air attack and then with an invasion of 250,000 ground troops. Yet there has been no consultation with this Congress, there has been no debate in this Congress, and there has been no vote in this Congress.

The American constitutional experience relies on a separation of power. It depends upon Congress being willing to check the raw exercise of power by the executive. Wake up, Congress. We are on the verge of a major war in Iraq and the administration is ignoring our Constitution. Wake up, America. Our sons and daughters are about to be called to fight a war in Iraq, without any debate,

without any sense of purpose, without any sense of direction, and with grave jeopardy.

□ 1015

NO RUSH ON HOMELAND SECURITY

(Mr. DUNCAN asked and was given permission to address the House for 1 minute.)

Mr. DUNCAN. Mr. Speaker, I know the new Homeland Security Department is going to pass with almost no dissenting votes, but it really is sad that we have to create a new cabinet level department just to get government agencies to cooperate with each other. Really it will just make the government bigger, more bureaucratic, more expensive and no safer.

Many syndicated columnists are now questioning the rush here. Dan Thomasson in the Scripps Howard News Service, in the Scripps Howard papers all over the country, said the last thing the Nation needs now is a half-baked Department of Homeland Security removed from the oven too quickly because of obvious political considerations. He said this is a monumental task that if not carefully and cautionly tended could produce an unwieldy, overblown bureaucracy that would worsen the situation and leave the country even more vulnerable than it is now.

I hope that we will heed these words of Dan Thomasson and not make the problem worse than it is now.

VOTE ''NO'' ON FAST TRACK

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute.)

Mr. BROWN of Ohio. Mr. Speaker, under enormous pressure from defrauded investors, the Republican leadership has finally and reluctantly agreed to bring a strong accounting bill to the floor today. Passage of this bill will make America's corporations more accountable and will restore confidence and investor faith in our markets. I urge my colleagues to support it.

But, Mr. Speaker, completion of the conference report on Fast Track this week also appears to be a strong possibility. Fast Track—the biggest gift of all to overpaid CEOs in providing more opportunity for corporate abuse. Fast Track has been made even worse since its passage in the other body. The Dayton-Craig amendment will be eliminated, TAA and health care benefits are not nearly enough and less than promised, and there is still no core labor and environmental standards.

Mr. Speaker, it would be highly ironic if on the day this House finally made corporations tow the line that Republicans then turn around and give corporate America the biggest prize of all. Vote ''no'' on the Fast Track conference report.

INTRODUCTION OF ''INSTANT REPLAY'' BUDGET LEGISLATION

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the Congress once again is facing the fiscal train wreck that seems to come about every October 1, the end of the fiscal year, when the Congress has not finished its appropriations cycle and we are left with a device, a tricky device, called the continuing resolution to continue doing business until a budget can be put into place.

Again, we are introducing here today a bill that could end this kind of crisis, this potential shutdown of government, once and for all. We have attempted it for 10, 12 years now. It passed once, but then President Clinton vetoed it. This bill calls for an instant replay that would occur on October 1 on those appropriations bills that have not been completed by the end of the fiscal year, September 30. The reason that it has not passed in my judgment and signed into law is because it makes good, common sense. In other words, after September 30, for the appropriations bills that are yet to be completed, instant replay comes into play. Last year's budget becomes automatic until the appropriators can come up with a new budget. I urge support.

CONFERENCE REPORT ON SARBANES-OXLEY

(Mrs. MALONEY of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MALONEY of New York. Mr. Speaker, today we will be enacting the Sarbanes-Oxley Act, a historic overhaul of financial services oversight. But I am saddened by the crisis that brought us here. Today my heart goes out to all the innocent workers who have lost their jobs and the investors whose pensions have been pillaged.

Out of this calamity we have produced the strongest legislative reaction to a business scandal since Franklin Roosevelt was President. It is a triumph over incredibly powerful special interest lobbying and includes world-changing reforms for U.S. companies. I have high confidence in our free market system. We have been through other market declines, insider training scandals in the eighties, and the S&L crisis. Our system is the best at generating economic growth, jobs, and rewards initiative and innovation.

The Sarbanes-Oxley bill is an important step toward restoring investor confidence and transparency in our system.

CONGRATULATING BARBARA BYRD BENNETT, CEO OF CLEVELAND SCHOOLS

(Mrs. JONES of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I stand this morning to congratulate the CEO of the Cleveland municipal school district. Her name is Barbara Byrd Bennett. Why am I up here? Because they attempted to take her away from the city of Cleveland after all the good work she has done over the past few years. I am proud to stand here on the floor of the House to celebrate the work that she has done, to look at the improved schools that we have, to know that as a result of her work we have got a new issue 14 that was passed, we will be building some 48 new schools in the city of Cleveland and renovating about 50.

We have not built a new school in Cleveland in 20 years. Our school system is doing better. Our students are doing better. I salute Barbara Byrd Bennett, our CEO, and thank her for staying in Cleveland and pledge my support as well.

CORPORATE ACCOUNTABILITY AND HOMELAND SECURITY

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, the misconduct at Enron was apparent as this House met not this morning, but at the beginning of the year. Yet, as in previous years, the House Republican leadership avoided doing anything meaningful about it. Finally today, we have overcome their continued obstructionism to take up the Sarbanes-LaFalce bill, the first genuine action to stop corporate wrongdoing. How tragic that so many investors and so many hard-working employees had to suffer while this leadership protected Kenny-boy and its other corporate pals.

And even as we gather today to take our first action, this same crowd that would yield on one reform after another is now trying to misuse the Homeland Security bill to offer new ways to protect corporations who wrong people in our communities across the country, and even to go so far as to authorize government contracts to be issued to politically powerful corporations who abandon their American citizenship and leave our country. We must prevent this misconduct from happening.

THE RISING FEDERAL DEBT

(Mr. TAYLOR of Mississippi asked and was given permission to address the House for 1 minute.)

Mr. TAYLOR of Mississippi. Mr. Speaker, I am sorry that you left the floor, because I would like to remind you that on your watch, our Nation has now squandered a trillion dollars on interest on the national debt. That is a thousand times a thousand times a thousand times a thousand. Did not educate a kid, did not build a road, did

not help a veteran, did not help defend our Nation. Just squandered on interest on our now $6 trillion debt.

On your watch, we have added $511 billion of new debt. You have been Speaker for 1300 days, yet you will not let us have a vote on one of the most simple laws of all and that will say that my generation will not burden my children's generation and my grandchildren's generation with our debts, that we will spend no more money in this body than we collect in taxes that year, a constitutional amendment that almost every State already has, so that they do not stick their kids and their grandkids with their bills.

Mr. Speaker, you have been Speaker for 1300 days and yet you cannot find time for that law to be voted on. I would ask on behalf of my children and my yet unborn grandchildren that you give this body an opportunity to vote on that.

CORPORATE ACCOUNTABILITY

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, we needed this. Over the months we have suffered, we have watched the marketplace go up and down, but, more importantly, I have watched my constituents living in the city of Houston and those around the Nation see their investments for retirement go down the drain.

And so I am proud to be able to join the gentleman from New York (Mr. LAFALCE) and the other body who presented one of the strongest corporate responsibility and accountability bills that this Nation will ever see. It will tell the poor guy on the street, it will tell the common thief who steals a loaf of bread and goes to jail for 5 or 10 years, that justice in America reigns not only on the streets, but in the corporate boardrooms, because we will have a board to oversee auditors and accounting features as it relates to their work for corporations; we will make sure that there is no grand profit on consulting fees and you are supposed to be telling the corporation what they are doing wrong; and we will give shareholders, the moms and dads and grandparents who have lost their investment, the right to sue so that they can recover dollars that they have lost; and, yes, we will put in jail those who have done wrong.

Mr. Speaker, this is a good bill and I will join my colleagues today, providing leadership to the marketplace of America.

CONFERENCE REPORT ON H.R. 3763, SARBANES-OXLEY ACT OF 2002

Mr. OXLEY. Mr. Speaker, pursuant to the previous order of the House of July 24, 2002, I call up the conference report on the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the order of the House of the legislative day of Wednesday, July 24, 2002, the conference report is considered read.

(For conference report and statement, see proceedings of the House of July 24, 2002 at page H5393.)

The SPEAKER pro tempore. The gentleman from Ohio and the gentleman from New York (Mr. LAFALCE) each will control 30 minutes.

The Chair recognizes the gentleman from Ohio (Mr. OXLEY).

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

Mr. Speaker, I bring to the floor today a tough, sensible conference report that responds in a measured way to the very real crisis of confidence among America's 85 million investors. I am proud of the result we have reached. We act with the assurance that Congress must do something, yet remain acutely aware of the dangers of overreacting to a genuine problem and making matters worse.

Make no mistake, this is a difficult period for those who love and cherish the free enterprise system. Since early 2000, our capital markets, although still the most respected in the world, have unquestionably suffered a series of blows—mostly self-inflicted—which have truly damaged the public's faith in the integrity of corporate America. The Committee on Financial Services, and this body, have not sat idly by, however. Indeed, in response to Enron, Global Crossing and other bankruptcies, my committee was the first out of the gate, holding a series of hearings and passing a good, targeted bill on the House floor in April with the support of 119 of my Democratic colleagues. Nearly 3 months would go by before the Senate passed companion legislation.

The Senate built on the House bill's chief objectives, strong oversight of accountants, increased corporate responsibility, and improved information for investors.

The conference report before us today includes important provisions from both sides of the Capitol, but it also contains the following proposals offered only by the House: Disclosure of important company information to investors in real time, the inclusion of civil fines levied by the SEC in restitution funds for defrauded investors, tougher criminal penalties for a broad array of corporate crimes, and increased SEC supervision of the accounting oversight board. Though by no means a panacea, the conference report will help restore investor confidence in our markets. Investors can be assured that convicted corporate criminals will be sentenced to long jail time. In my view, the prospect of doing time, real time, will serve as an effective deterrent to wrongdoing in the corporate suite.

We saw a little bit of that yesterday with the arrest of the Adelphia executives in New York. Investors will now get better information and will get it faster and they will have more faith in the numbers because the accountants will be more vigilant, as will audit committees.

This legislation, combined with the truly substantive and far-reaching reforms proposed by the industry's self-regulatory organizations and the brutal and unforgiving market forces, will help restore faith in the system. A strong dose of character, honesty and ethics would not hurt, either.

For two decades in Congress, I have advocated a free market approach to regulation, but I also believe that capitalism can only flourish under the rule of law. Those views are not at odds. In fact, they are quite consistent. Government must be careful not to overreach and stifle the entrepreneurial spirit that has made the United States the most successful economy in the history of the world. At the same time, government has a responsibility to punish—and do so swiftly and severely—those who seek to cheat and steal from others.

I believe the conference report crafts a careful and appropriate balance of these two philosophies. I am proud of the bipartisan process that produced this legislation. Corporate accountability is an investor and retiree issue. It is not a partisan issue, and those who would attempt to make it so do a real disservice to all of us.

I urge all of my colleagues on both sides of the aisle to vote for this historic, pro-investor bill.

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

□ 1030

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

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

Mr. LAFALCE. Mr. Speaker, it is with great pleasure that I rise today in strong support of the conference report on H.R. 3763. Our conferees have taken an already good bill passed by the Senate and have strengthened it further.

The resulting legislation is a major step forward in reforming the operations of our financial markets and rebuilding our system of financial reporting in ways that will restore the confidence of investors at home and abroad.

I am particularly gratified that the final bill includes many of the provisions that I first introduced in the House and called for as early as last year. The centerpiece of this bill is the creation of a strong independent oversight board for the accounting industry. As with the oversight board in my bill, the oversight board included in the final conference report will be independently funded and will have strong disciplinary, investigatory, and, most importantly, standard-setting powers. I

thought this was extremely important. No longer will the accounting industry be able to set the rules for itself without regard for the interests of shareholders.

Moreover, as in my original bill, auditors will no longer be permitted to perform consulting services that create conflict between their duties to shareholders and their self-interests. These measures, combined with the very important improvements in corporate governance, will strengthen audit committees and their oversight of both auditors and management. As a result, auditors will once again become the watchdogs for the shareholders, rather than the lap dogs of management.

The requirements in the bill that CEOs and CFOs certify the financial statements of their companies are again drawn from my original legislation and substitutes that I offered on the floor in motions to recommit. These requirements will ensure that executives will no longer be able to evade responsibility for the numbers that their companies put out. This requirement, combined with the tough criminal penalties established by the bill, will help to ensure that executives are held responsible if they seek to mislead and defraud investors.

We should be clear, however, that this should not be the end of Congress' work in restoring the integrity of our financial reporting system and our markets. Auditor conflicts and weak corporate governance were significant contributors to the deterioration of our financial reporting system. But the conflicts created by stock options were another serious issue that we have yet to address. I regret that. So there is more that we can and should do to limit the conflicts faced by securities analysts, to strengthen corporate governance and to protect workers laid off by bankrupt companies along the lines of an amendment that the gentleman from Mississippi (Mr. SHOWS) had hoped to propose.

I have said and believe that this bill is an enormous victory for workers and investors. But let me also say this: It is a victory for the thousands and thousands of honest accountants and honest corporate executives as well, the vast, vast preponderance of all accountants and all corporate executives. With the measures we put in place by this legislation, they now have the opportunity to reclaim their reputations from those few who have brought shame on American business. It is my hope that this legislation will begin to restore the reputation of American business and financial markets as the best in the world.

GENERAL LEAVE

Mr. OXLEY. 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 H.R. 3763.

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

There was no objection.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Louisiana (Mr. BAKER), the chairman of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.

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

Mr. Speaker, this is indeed a very important moment in Congressional history, and I wish to express my appreciation to the gentleman from Ohio (Mr. OXLEY), the ranking member, the gentleman from New York (Mr. LAFALCE), and Chairman SARBANES and ranking member GRAMM in the Senate. They have done extraordinary work in bringing us to this point in time.

Much has been said about bringing those to justice who have violated their corporate responsibility. I can think of no more sweeping change in the current body of law than the conference report this House will soon consider. It offers more change, breadth of change and significance of change, than any Congressional action since the 1933 and 1934 Securities Acts themselves.

It is appropriate, I think, to recount how we got to this point. Last year the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, at the direction of the gentleman from Ohio (Chairman OXLEY) began its inquiry into the conduct of analysts and the apparent conflict between their recommendations and what they seemed to know about company performance. From that early beginning until now, there has been revelation after revelation as to corporate wrongdoing.

Nothing perhaps made a more visual impact on American investors, shareholders, pensioners and employees than watching the news yesterday as corporate executives were handcuffed and hauled away. The people of America are not only expecting it, they are demanding it. How is it possible for a person to work all his life for a corporation, be given stock rather than salary increases, and, on the verge of retirement, be told that the stock is worthless, while the CEO of the corporation seeks to retire in a $15 million mansion in Florida where he is above and beyond the reach of the law? That is not acceptable. It is not acceptable to me, I do not believe it is acceptable to this Congress, and I know it is not acceptable to the working people of this country.

This is an outrage. There is no more privileged position in America today than to be the CEO, CFO or leading manager of a Fortune 500 company. Of those people we expect the highest level of ethical and moral conduct because of the extraordinary powers and opportunities which they are granted by this wonderful free enterprise system. Today we bring an end, I believe, to those abuses.

You must sign that statement, and if you sign it and it is not accurate, there are consequences. If you misrepresent the material facts of your corporation, if you lie about what is going on, there are criminal consequences for that misrepresentation. If you choose simply not to tell the truth, there are consequences for that misrepresentation. In fact, the bill before us today doubles the penalties for violations of those responsibilities.

But that is not enough. It is not enough to tell the truth. It is not enough that after we catch you we put you a way for a long time. We want to go after those ill-gotten gains, that profit you made by misrepresenting the material facts of your corporation while manipulating the books and profiting for your own best interests. We want to make sure those mansions, those benefits, those golden parachutes are collapsed, folded up neatly, put into a closet and sold off so that the shareholders back home can get their hands on their money. That is what has been lost in all of this.

A corporate executive takes capital from individual investors, hard-working investors saving for their first home, their child's education or their retirement, and has a fiduciary responsibility to manage that money for their mutual good. What has happened, they have taken that money and put it in their pocket.

I do not know how we are going to ultimately get to all of the State bankruptcy protections that allow these corporate mansions to be built, the extreme levels of financial worth, to allow a CEO to escape all of his liabilities and move into the home, live there 6 months, sell it and take the money and move to the south of France, but we are going to get there. This bill does not go quite that far, but over the next Congresses we are going to continue the work to make sure that no one who is defrauded by an irresponsible act of corporate abuse does not get full recompense for the wrong.

This is a great day, a great conference report. I salute the gentleman from Ohio (Chairman OXLEY) and Chairman SARBANES for their extraordinary work.

Mr. LAFALCE. Mr. Speaker, it is my pleasure to yield 2¼ minutes to the gentleman from Pennsylvania (Mr. KANJORSKI), the distinguished ranking member of the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, who coauthored the original bill that we introduced early this year that forms the gravamen of this bill.

Mr. KANJORSKI. Mr. Speaker, I thank the gentleman from New York for yielding time.

Mr. Speaker, may I take the opportunity to say how pleased I am to be here in support of this conference report, because I, together with the gentleman from New York (Mr. LAFALCE), opposed the bill originally passed in April by the House of Representatives for the simple reason that it was not sufficiently sound enough to meet the

needs that were even evident in April, and have become far more evident now. But I dare say that as a result of the efforts of the gentleman from New York (Mr. LAFALCE) in crafting the alternative Democratic proposal in the House that did not have the opportunity to go forth to the conference, it did strengthen the Senate's hands in the drafting of the Senate proposal, which ultimately is the basis for this conference report.

Mr. Speaker, we have not solved everything, by a long shot. We have much to do. But I believe that we have now put teeth into the accounting process. I, for one, am a person that supports the marketplace and non-government regulation, when possible. But if there is anything we have learned over the last 9 or 10 months, it is the absence of regulation has allowed the fox to take control of the hen house at the corporate level at some of the financial institution levels, at the accounting level, and we have seen grievous harm done not only to these fine corporations, but to the investors in the corporations, to the employees of the corporations, and to all the pension funds and 401(k) fund investors across the country that took on the representation of accounting firms and CEOs and boards and all these people that things were done properly.

We have addressed accounting irregularities, executive abuse and corporate governance malfeasance, but we must come back and do more, and this is only the beginning.

I heard the chairman of my subcommittee, the gentleman from Louisiana (Mr. BAKER), talk about something that I want to respond to. We have seen on television all these mansions in Texas and Florida. I would say to the gentleman from Louisiana (Mr. BAKER), the answer is we do not have to do a special bill. We can take out the exemption in the bankruptcy law so every State in the Union has the same basic principle, a $750 deduction, nothing else. There is no reason in Texas and in Florida you can have a $25 million mansion, go into bankruptcy, and keep your mansion.

Mr. OXLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. SENSENBRENNER), the distinguished chairman of the Committee on the Judiciary.

Mr. SENSENBRENNER. Mr. Speaker, 9 days ago on this floor I stated we must crack down on the corporate criminals and rebuild America's confidence in our markets. I said the best way to do that is to punish the corporate wrongdoers and to punish them harshly. I am pleased to say that the conference committee report before us today accomplishes that goal.

The House members of the conference committee insisted on and prevailed on all of the tougher penalties that were contained in H.R. 5118, the Corporate Fraud Accountability Act of 2002, which passed the House overwhelmingly by a vote of 391 to 28.

Under these penalty provisions, corporate criminals are going to do time; real time, real long time. The report increases the penalties for mail and wire fraud from the current 5 years to 20 years and creates a new securities fraud section that carries a maximum penalty of 25 years. It also strengthens laws that criminalize document shredding and other forms of obstruction of justice and provides a maximum penalty of 20 years for such violation. The legislation punishes top corporate executives that certify the financial statements of the company knowing they are false by subjecting them to fines of up to $5 million and 20 years in prison, or both.

The provisions of the conference report also increase the penalty criminal penalties for those who file false statements with the SEC to a maximum penalty of $5 million and 20 years in prison, and, if a corporation files a false statement, then the fines increase up to a maximum of $25 million.

Mr. Speaker, the report also contains House language that makes it a crime for someone to knowingly retaliate against a whistle blower and provides a criminal penalty of up to 10 years for such offense. I would also point out that the restitution laws for all criminal activity are in place for these crimes as well, so the court can order restitution for those shareholders and employees who have been defrauded.

By passing this conference committee report, America will know that those who abuse the law and tarnish corporate America's reputation will go to jail for a very long time. These are tough penalties that will crack down on the corporate crooks and go a long way to protecting the life savings of many Americans by making the price of such theft too high.

I urge my colleagues to support this conference report.

□ 1045

Mr. LAFALCE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I rise in strong support of this conference report, the strongest reforms since FDR was President in corporate law. Our markets run on trust and this trust has been violated. This bill puts forward new tough standards based on old values to restore investor confidence.

The overwhelming majority of the accountants in the U.S. are hard-working, honest people, but the self-regulation of their industry has failed. This bill responds with the Sarbanes-LaFalce proposal for the strongest possible new independent accounting oversight board. It also adopts the Sarbanes-LaFalce plan to put an end to the inherent conflict of interest of allowing the same firm to provide both audit and consulting services for the same client.

Investors have lost faith in boards of directors and managers to look out for their interest. This legislation empowers independent members of boards to hire and fire auditors, prohibits trades during pension blackouts, requires CEOs and CFOs to certify the accuracy of their company's financial statements, and if there are misrepresentations, they face criminal penalties.

More and more Americans depend on the markets for a secure retirement. Executives who take advantage of investors will now face serious jail time for securities fraud, up to 25 years.

Importantly, the bill also authorizes $776 million for the SEC, including money for pay parity.

Finally, I want to thank the gentleman from Ohio (Mr. OXLEY) for his work on this legislation and the hearings he held. I especially want to thank the gentleman from New York (Mr. LAFALCE) who recognized a crisis in financial reporting years before it became front page news. This legislation may be called the Sarbanes-Oxley Act, but much of it is the hard work and product of the gentleman from New York (Mr. LAFALCE) and leader on the Committee on Financial Services, on the House floor and in the conference.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce.

Mr. BOEHNER. Mr. Speaker, I am pleased that the conference report before us contains two provisions that were in the Pension Reform Act passed here in April. These two provisions were in the Senate bill and were agreed to in the conference, one providing a 30-day notice of any potential blackout period and, secondly, a proposal to make sure that the top floor and the shop floor have the same rights when it comes to selling of stock during blackout periods, and there is a prohibition on 16(b) employees, top-end employees, from selling stock during a blackout period.

I am also pleased that contained in this legislation are new penalties for violations of ERISA. The penalties have not been increased or changed since 1974 when ERISA was first enacted. They are in this bill.

Let me make it clear that the pension provisions that are in here which mirror proposals made by President Bush back in April come nowhere close to the comprehensive Pension Protection Act that the House passed on April 11. We are still waiting for the other body to act, and as the Washington Post noted this morning in their lead editorial, this bill that we are passing today is the first step, but if we are serious about restoring investor confidence, restoring the confidence of American workers in their own retirement plans, it is time for Congress to act on a pension bill.

While there is a lot of rhetoric coming from the other body, there is no legislation and there is no opportunity to go to conference like we did on this bill and to bring about good policy.

Several days ago, I described what was happening on this bill as a stampede, and I want to say that I am very surprised, and I am very surprised because we have two adults in this body, the two people who chaired this conference, my good friend from Ohio (Mr. OXLEY) and the gentleman from Maryland (Mr. SARBANES), who stood up to say, slow down, let us try to make sure that we have sound policy here, and the gentleman from Maryland was under great political pressure to do nothing, but I have got to give him an awful lot of credit for his willingness to sit down and to fix what were glaring problems that many did not want to fix and wanted to pass in a rush to judgment. They both should be congratulated for their excellent work.

Mr. LAFALCE. Mr. Speaker, I yield 1½ minutes to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentleman for yielding time.

Let me applaud the chair and ranking member of the House Committee on Financial Services for the job that they did starting the process. We had a bill that was a reasonable start, that has been significantly improved upon during the course of the conference, and one of the things that the bill does is ratchet up criminal penalties, but I want to take some time to say that I am not sure that just ratcheting up criminal penalties will do the job.

But there are some things in the conference report which require us and the SEC and the GAO to do additional studies and report back to the committees of jurisdiction about either regulatory action that is recommended or legislative action that is recommended, and one of those things is an SEC study of violations and violators and whether we have been aggressively going after the violators civilly and whether we have undermined the ability of individuals to bring claims in civil court to enforce their rights and protect their status as investors.

I do not want to overlook some of those studies that will be reporting back to us because I think this bill is really just the first step, and I applaud us for making that step.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. SMITH) a conferee and a member of the Committee on the Judiciary.

(Mr. SMITH of Texas asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. SMITH of Texas. Mr. Speaker, I thank my friend from Ohio for yielding me time.

Mr. Speaker, this conference report goes a long way in achieving two necessary goals. First, it helps us determine who those are who have abused the public trust, in general, and employees' trust and stockholders' trust, in particular.

Second, this conference report makes sure that an appropriate level of punishment is available.

In considering this conference report, though, we should remember that the proportion of corporate executives who are culpable is a very, very small fraction of the whole. The vast majority of executives are law-abiding who have contributed much to the prosperity of America.

Finally, Mr. Speaker, I want to single out a business leader, Andy Grove, chairman of the board of Intel, for his constructive suggestions on how to increase corporate responsibility. Mr. Speaker, I have been happy to have been a part of the conference that produced this conference report. Mr. Speaker, I include in the RECORD two articles, one written by Andy Grove and one about him.

[From the Washington Post, July 17, 2002]

STIGMATIZING BUSINESS

(By Andrew S. Grove)

I grew up in Communist Hungary. Even though I graduated from high school with excellent grades, I had no chance of being admitted to college because I was labeled a ''class alien.'' What earned me this classification was the mere fact that my father had been a businessman. It's hard to describe the feelings of an 18-year-old as he grasps the nature of a social stigma directed at him. But never did I think that, nearly 50 years later and in a different country, I would feel some of the same emotions and face a similar stigma.

Over the past few weeks, in reaction to a series of corporate scandals, the pendulum of public feeling has swung from celebrating business executives as the architects of economic growth to condemning them as a group of untrustworthy, venal individuals.

I have been with Intel since its inception 34 years ago. During that time we have become the world's largest chip manufacturer and have grown to employ 50,000 workers in the United States, whose average pay is around $70,000 a year. Thousands of our employees have bought houses and put their children through college using money from stock options. A thousand dollars invested in the company when it went public in 1971 would be worth about $1 million today, so we have made many investors rich as well.

I am proud of what our company has achieved. I should also feel energized to deal with the challenges of today, since we are in one of the deepest technology recessions ever. Instead, I'm having a hard time keeping my mind on our business. I feel hunted, suspect—a ''class alien'' again.

I know I'm not alone in feeling this way. Other honest, hard-working and capable business leaders feel similarly demoralized by a political climate that has declared open season on corporate executives and has let the faults, however, egregious, of a few, taint the public perception of all. This just at a time when their combined energy and concentration are what's needed to reinvigorate our economy. Moreover, I wonder if the reflexive reaction of focusing all energies on punishing executives will address the problems that have emerged over the past year.

Today's situation reminds me of an equally serious attack on American business, one that required an equally serious response. In the 1980s American manufacturers in industries ranging from automobiles to semiconductors to photocopiers were threatened by a flood of high-quality Japanese goods produced at lower cost. Competing with these products exposed the inherent weakness in the quality of our own products. It was a serious threat. At first, American manufacturers responded by inspecting their products more rigorously, putting ever-increasing pressure on their quality assurance organizations. I know this firsthand because this is what we did at Intel.

Eventually, however, we and other manufacturers realized that if the products were of inherently poor quality, no amount of inspection would turn them into high-quality goods. After much struggle—hand-wringing, finger-pointing, rationalizing and attempts at damage control—we finally concluded that the entire system of designing and manufacturing goods, as well as monitoring the production process, had to be changed. Quality could only be fixed by addressing the entire cycle, from design to shipment to the customer. This rebuilding from top to bottom led the resurgence of U.S. manufacturing.

Corporate misdeeds, like poor quality, are a result of a systemic problem, and a systemic problem requires a systemic solution. I believe the solutions that are needed all fit under the banner of ''separation of powers.''

Let's start with the position of chairman of the board of directors. I think it is universally agreed that the principal function of the board is to supervise and, if need be, replace the CEO. Yet, in most American corporations, the board chairman is the CEO. This poses a built-in conflict. Reform should start with separating these two functions. (At various times in Intel's history we have combined the functions, but no longer.) Furthermore, stock exchanges should require that boards of directors be predominantly made up of independent members having no financial relationship with the company. Separation of the offices of chairman and CEO, and a board with something like a two-thirds majority of independent directors, should be a condition for listing on stock exchanges.

In addition, auditors should provide only one service: auditing. Many auditing firms rely on auxiliary services to make money, but if the major stock exchanges made auditing by ''pure'' firms a condition for listing, auditing would go from being a loss leader for these companies to a profitable undertaking. Would this drive the cost of auditing up? Beyond a doubt. That's a cost of reform.

Taking the principle a step further, financial analysts should be independent of the investment banks that do business with corporations, a condition that could and should be required and monitored by the Securities and Exchange Commission.

The point is this: The chairman, board of directors, CEO, CFO, accountants and analysts could each stop a debacle from developing. A systemic approach to ensuring the separation of powers would put them in a position where they would be free and motivated to take action.

I am not against prosecuting individuals responsible for financial chicanery and other bad behavior. In fact, this must be done. But tarring and feathering CEOs and CFOs as a class will not solve the underlying problem. Restructuring and strengthening the entire system of checks and balances of the institutions that make up and monitor the U.S. capital markets would serve us far better.

Reworking design, engineering and manufacturing processes to meet the quality challenge from the Japanese in the 1980s took five to 10 years. It was motivated by tremendous losses in market share and employment. Similarly, the tremendous loss of market value from the recent scandals provides a strong motivation for reform. But let us not kid ourselves. Effective reform will take years of painstaking reconstruction.

Our society faces huge problems. Many of our citizens have no access to health care; some of our essential infrastructure is deteriorating; the war on terror and our domestic

security require additional resources. Attacking these problems requires a vital economy. Shouldn't we take time to think through how we can address the very real problems in our corporations without demonizing and demoralizing the managers whose entrepreneurial energy is needed to drive our economy?

The writer is chairman of Intel Corp.

[From the Wall Street Journal, July 22, 2002]

THE BELTWAY BUBBLE

Since President Bush unleashed the political furies on the private sector with his speech on July 9, stocks on the Dow have fallen by about 13.5%, including another 4.6% on Friday. This can only mean that investors are demanding more regulation, more punitive laws and more anti-business rhetoric, right?

Believe it or not, that's what some people with allegedly above-average IQs are writing. The truth is closer to the opposite, with investors now discounting not just for market risk but for a new and dangerous element of political and regulatory risk. With Congress in a stampede, and Mr. Bush abdicating veto oversight, the law of unintended consequences is in the saddle riding events.

Consider the fine print now contained in legislation sponsored by Joe Biden and Orrin Hatch that whooped through the Senate last week. Time magazine made Intel Chairman Andrew Grove its man of the year in 1997. But Senator Bush, with his vast corporate experience, is now insisting on language that would likely drive Mr. Grove and independent chairmen like him out of the business.

Here's the problem: The Biden-Hatch bill would require that CEOs, chief financial officers and board chairmen all certify, under threat of criminal sanction, the accuracy of company financial statements. This makes sense for CEOs and CFOs, who are actively managing the business. And for companies that combine the CEO and chairman positions this is also logical.

But some companies prefer to divide the CEO and chairman posts, with the CEO running the business but the chairman playing the role of counselor or independent intermediary with the board of director. It's one way of helping the board supervise the CEO, which is supposed to be a main goal of the latest corporate ''reforms.''

Yet the Biden legislation would all but end this often useful division of responsibility. Very few non-CEO chairmen in their right mind are going to risk jail by certifying results they are not actively managing. Mr. Grove, for example, gave up his CEO duties at Intel in 1998 at age 61, but he retains the chairman title that allows him to set the agenda for board meetings and consult with CEO Craig Barrett.

''It's a very healthy thing,'' Mr. Grove tells us. ''The power of setting the agenda is incredible. I basically control what we are going to talk about at board meetings, not Craig.'' Other companies that have non-CEO chairmen include Cisco and Microsoft, where Bill Gates gave up his chief executive role to Steve Ballmer but is obviously still a valuable contributor to the company. Whatever else investors are clamoring for, we doubt it's a high technology sector without the skills and institutional memory of Andy Grove and Bill Gates.

By the way, the Biden-Hatch bill contains other troubling provisions that someone at the White House should inspect. In its language demanding that CEOs certify their financial results, it uses words like ''appropriateness'' and ''recklessly'' that are vague and legally undefined. This will only invite prosecutorial abuse, not to mention a trial-lawyer field day, which may in fact be why those words have quietly made their way into the Senate-passed bill. (Senator Hatch, were you paying attention?) If Congress is going to put CEOs in prison for a decade or more, doesn't it have an obligation to make sure that what they get sent away for is some specific and actual crime?

The Biden language shows how in Washington's current mood the zeal to punish business is trampling common sense. Any House Member who raises any doubt about the wisdom of anything in the Senate bill gets a media pounding as a lackey of business.

Obviously something is going to pass this year. But it would help the economy, as well as corporate governance, if the politicians burst their own bubble of righteousness and first thought carefully about the real-world consequences of what they're doing.

Mr. LAFALCE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. WATERS), a distinguished member of the conference committee.

Ms. WATERS. Mr. Speaker, I am very pleased to have been a part of the conference committee, and we are finally legislating a corporate responsibility bill. It is long overdue, and if, in fact, the gentleman from New York (Mr. LAFALCE), our ranking member, had had his way on the House side, we would have had a tougher bill and we would have had it a long time ago.

Unfortunately, even though I am very appreciative for the work that the gentleman from Ohio (Mr. OXLEY) eventually did on this bill, if he had taken the leadership of our ranking member, we would have had this bill passed out a long time ago, and it would have been even tougher.

This bill will make corporate CEOs and others responsible. They will have to sign the financial statements, and they will have to take responsibility. I participated in one aspect of the bill for disgorgement so that these people who are committing fraud will not be able to realize the gains that they would have, to put that money back into a disgorgement account.

We are also, in this bill, curbing the practice of the insider loans. We are protecting whistleblowers. We are eliminating conflict of interest and setting up an independent board to oversee accounting firms.

This is a good start. We are going to see more of the scenes that we are seeing with Adelphia where corporate giants who have committed fraud are going to be taken out in handcuffs.

We are going to have to do more as the days roll along. We are going to find that there are more crimes being committed. I am very appreciative to the Democrats in this House for providing the strong leadership that was necessary to force the adoption of this conference report and this legislation.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New York (Mrs. KELLY), the chairwoman of the Subcommittee on Oversight and Investigations of the Committee on Financial Services, and a member of the conference committee.

Mrs. KELLY. Mr. Speaker, I thank the gentleman from Ohio for yielding me the time.

Mr. Speaker, today we are here to approve the conference agreement for the corporate accountability legislation. With the Senate adoption of the House's top priorities of tougher penalties, openness, so the investor can evaluate a company before they invest and money back to defrauded investors, this conference agreement stands as a product that both sides can be proud of.

This legislation punishes corporate crooks. It strengthens oversight of the accounting industry and empowers investors with much faster access to critical information about the companies in which they invest. This legislation will shine a bright light into the shadows of America's corporate board rooms so the public is not kept in the dark, and when they make an investment, that investment will be sound and based on truth and openness and honesty.

The corporate executives, the heads of these businesses, need to know they are being watched and they will be put in jail if they use their company to line their own pockets at the expense of our investors.

I applaud the gentleman from Ohio (Mr. OXLEY) and his excellent staff and Senator SARBANES and his fine staff. They need to be recognized for the conception of most of the provisions in this bill and the fortitude and the resolve to bring the legislation forward through this process in a very bipartisan and open manner.

Last week, Chairman Greenspan spoke before the Committee on Financial Services about how strong our economy is and talking about that our economy is strong even though our corporate system is frayed. This legislation contains the tools necessary to mend the bonds which have been abused by the people who have been motivated by greed and strengthen others, which ensure a strong and vibrant economy.

Chairman Greenspan also emphasized that the criminal penalties section in this legislation is the most important part of this legislation. With the Senate acceptance of the House's tougher penalties, we have ensured that the most important part of this legislation is the best possible.

I look forward to our passing this conference report today so it can be sent to the White House so the President can enact this legislation giving employees and investors the needed protections and confidence they require and they deserve.

Mr. LAFALCE. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. BENTSEN) a distinguished member of the committee.

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

Mr. BENTSEN. Mr. Speaker, I rise in strong support of this bill. I need to say to my colleagues I am actually surprised. I think this is a very good conference report. The recent declines in

the U.S. equity markets are due in large part and have been exacerbated by the breakdown in corporate governance, and a lot of the shenanigans, quite frankly, that has been going on in corporate America, whether it is Enron, WorldCom, Adelphia, Xerox, you name it.

This bill is really quite substantive because of the work of the gentleman from New York whom I think we all owe a great debt of gratitude for on this bill that really starts to address this, and Members have gone through the substantive aspects, the oversight body, the limitations on consulting, the new disgorgement rules, criminal penalties, bans on egregious practices and corporate loans, all of those items, and there are many in this bill, and I am surprised at how well it has been put together.

I think what is also important about this legislation is that it sends a very clear message from the Congress, and I hope we have a strong vote today in the House on this bill, because it is not just the substantive factors or the interpretive factors of this bill.

□ 1100

For too long Congress has sent a very mixed message to the regulators of what they are supposed to do. All of us know we can pass laws to do lots of things, but unless they are enforced, they will be meaningless. This bill puts us on record of enforcing the laws with respect to public accounting, with respect to corporate governance; changing things that, quite frankly, a few years ago I would have been surprised. A few years ago, people were trying to get outsiders off of corporate boards. Now we are mandating them on corporate boards.

So I want to commend the managers, the chairman and the ranking member, but particularly the gentleman from New York (Mr. LAFALCE) for the work he has done on this bill. He deserves a great deal of credit.

This is a good bill, it ought to get a large degree of support so investors will make decisions on economic issues and not lack confidence.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. ROYCE), a member of the conference committee.

Mr. ROYCE. Mr. Speaker, I thank the chairman for yielding me this time; and actually, this measure contains the best of both, some Democrat ideas and some Republican ideas. I think the final language on the independent accounting board was very close to the Sarbanes bill. But the provision put forward by House Republicans that we would now have 25 years hard time for securities fraud is important. It will be a deterrent.

I am delighted to see the concept that we are going to criminalize shredding, the concept that we are going to increase penalties for wire fraud and mail fraud. The Republican idea also that when we get convictions, when this SEC brings back the resources from those who have committed corporate malfeasance, that money will then go back to the shareholders, the Baker's amendment, that is an important gain for this bill.

I think Chairman OXLEY, in including the provision to disclose material changes to financial conditions and in real time so that the public sees that as soon as any insider trader sees that is another important change that we brought in on the Republican side of the House bill.

So this is the best of both Democrat and Republican concepts, and it will protect the shareholders in the future and offer deterrence.

Mr. LAFALCE. Mr. Speaker, how much time do I have left?

The SPEAKER pro tempore (Mr. SWEENEY). The gentleman from New York has 17¾ minutes remaining.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Oregon (Ms. HOOLEY).

Ms. HOOLEY of Oregon. Mr. Speaker, I would like to congratulate Chairman OXLEY and the gentleman from Louisiana (Mr. BAKER) for finding the willingness to simply do what is needed to fix the problem in our accounting system and to restore investor confidence in corporate America.

I also thank the gentleman from New York (Mr. LAFALCE) and the gentleman from Pennsylvania (Mr. KANJORSKI) for their foresight and early leadership. We needed to restore the public confidence in the market. Tens of millions of Americans invest in the market and tens of millions more work in publicly traded companies. It is these individuals and these individuals alone who this Congress must protect. After all, this is the people's body, not the Fortune 500 body.

So I thank my colleagues for sitting down with the gentleman from New York (Mr. LAFALCE) and Senator SARBANES and delivering on a bill that puts the interest of the public first. My colleagues' actions prove that bipartisanship is a tangible commodity. I would hope that the consensus we were able to reach on this bill can be replicated in other badly needed measures.

Before closing, I would like to point out that no one, no one has worked harder on this bill than our ranking member, the gentleman from New York (Mr. LAFALCE). While we have not agreed on everything, the gentleman's efforts to protect consumers and investors has been unfailing and will be sorely missed in the 108th Congress.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I rise in strong support of this legislation, and I certainly want to commend the Speaker of the House and the chairman of the committee for bringing it up before the August recess.

Certainly there has been a lot of discussion, and I do not have to go over it again, about the crisis of confidence that there has been. That has been more than adequately stated. But the crisis of confidence in our economic system has been out there, and dealing with this legislation today takes us a giant step in the right direction to restoring that confidence in both our corporate leaders as well as our Congress and the free enterprise system, which we commend.

I want to thank Chairman OXLEY and certainly the gentleman from Louisiana (Mr. BAKER) for making the point in the conference committee. As strongly as I supported the Sarbanes bill, they did add improvements to the bill, which deal with, but it is the FAIR fund to return the ill-gotten gains and the real time corporate disclosure provisions. And I thank the gentleman from Ohio (Mr. OXLEY) and the gentleman from Louisiana (Mr. BAKER) for including them in this conference report.

However, I will say that it is not perfect. It is very good, but not perfect. I am disappointed, more than a little bit, in the fact that we did not deal with the accounting treatment of stock options. I was very disappointed in that, but I accept it as part of this agreement. And I also accept it because I am confident that Senator MCCAIN will be advancing another form of this legislation in the future in the other body, and I believe that we will then be able to have a proper and full discussion.

In conclusion, I would like to say that this is landmark legislation, a key element of Congress' effort to eliminate corruption in corporate America. The bill tells corporate criminals that they are no longer above the law, and it holds those executives who have defrauded the investors and harmed the American economic system, holds them accountable with tough new criminal penalties. It also helps to close the loopholes that have allowed them to continue these offenses in the corporate community.

Mr. Speaker, once again, I certainly thank the chairman and the gentleman from Louisiana (Mr. BAKER), as well as the ranking member, the gentleman from New York (Mr. LAFALCE), and our other Democrat colleagues for their bipartisan cooperative effort.

Mr. Speaker, I rise in strong support of the (H.R. 3763) Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002, and I want to commend the Speaker of the House for showing clear vision and strong leadership in bringing this legislation to the Floor. I also want to commend the gentleman from Ohio, the Chairman OXLEY of our Committee on Financial Services, for living up to his commitment to bring this important legislation back to the House before we begin our summer district work period. And I strongly commend Representative JOHN LAFALCE for his leadership and cooperation in structuring the bipartisan support.

Mr. Speaker, over the last few months our economy has been damaged by the drip-drip-

drip of newspaper stories, television accounts and press releases recounting the latest corporate accounting scandal, revenue over-projection, financial irregularity or out-and-out ''cooking of the books'' by our captains of industry.

I agree with the President of the United States and the Chairman of the Federal Reserve, Alan Greenspan, who each said last week that the foundation of our economy is strong. And that we are continuing to recover from the financial downturn precipitated by the terrorist attacks of last September 11.

But still, we face a crisis of confidence. Every public opinion poll shows that the American people have low-expectations when it comes to the economy, and they think that a majority of corporate leaders are crooks and that this is an area where Congress can and must act in a bipartisan manner.

Indeed, irresponsible corporate leaders have forced us to act. The American people expect us to act. The American economy needs us to act. In fact, the mere prospect of our actions today helped produce a steep rise in the stock market yesterday. We must continue to restore confidence in the Congress and in our free enterprise system. And today we are taking a giant step.

Last April, House passage of the Corporate and Auditing Accountability, Responsibility and Transparency Act was a giant step in the right direction. Senate passage of the so-called Sarbanes bill was another critical step forward. And today, we complete the Congressional journey by passing this legislation.

The Chairman of the conference committee has outlined the major provisions of this bill. Suffice it to say that I am pleased that the conference report establishes a new, independent oversight board, funded by publicly traded companies, to monitor the accounting industry. The bill also forbids accounting firms from performing many other services for their public company audit clients, including consulting. It would also establish a host of new important reporting and disclosure requirements for public companies.

I want to commend Chairmen OXLEY and BAKER for their contributions to this strong conference report. As noted by Chairman OXLEY in his debate the House Committee added strong demands: real-time corporate disclosure to protect investors by giving them the information they need to safeguard their financial future; establishment of the FAIR fund to return ill-gotten corporate gains to investors; significantly increased criminal penalties for corporate crooks that defraud the public, shred documents or otherwise obstruct justice. Criminals can steal more money with a briefcase than with a gun. Businessmen who extort the American public should be punished like the common criminals they are. This bill ensures that corporate wrongdoers go to jail for their crimes.

I would also add that the final legislative package includes two important pension-related provisions from our Education and Workforce Committee. One would bar company insiders from selling their own stock during ''blackout'' periods when workers can't make changes to their 401(k)s; and the other would require pension plan administrators to notify workers 30 days before the start of any ''blackout'' period affecting their pensions.

However, I have to say that I am disappointed that the conference agreement includes no provision to address the question of the accounting treatment of stock options. I believe this is a mistake. Congress should require the Federal Accounting Standards Board to deal with it. And I am confident that Senator MCCAIN will be advancing legislation on options in the other body.

In the final analysis, this is a landmark legislation—a key element of Congress' effort to eliminate corruption in corporate America. This bill tells corporate criminals that they are no longer 'above the law.' it holds those executives who have defrauded investors and harmed the American economic system accountable with tough new criminal penalties. It helps to close the loopholes that have allowed for continued offenses in America's corporate community.

Mr. Speaker, the American people expect us to act. The economy needs us to act. I urge my colleagues to live up to and now we are acting.

Support the Conference report.

I yield back the balance of my time.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from Vermont (Mr. SANDERS), a member of the committee.

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time. This legislation is an important step forward, and I support it; but it should be clear that if we are serious about tackling corporate greed, much more needs to be done.

We have seen in recent years that the heads of the largest corporations in this country have lied about their financial statements, they have cheated on their taxes, moved their companies abroad, and they have thrown loyal American workers out on the street as they move companies to China. They have cut the pensions and health care benefits of their workers. Now is the time for us to address that overall question of corporate greed.

The most important thing that we can do is to pass real campaign finance reform, public funding of elections. So once and for all we end the scourge of big money dominating the White House and the United States Congress, and once and for all we begin to represent all Americans rather than the rich and the powerful.

Mr. OXLEY. Mr. Speaker, I am pleased now to yield 1 minute to the gentleman from Delaware (Mr. CASTLE).

Mr. CASTLE. Mr. Speaker, let me thank all those involved in putting this together.

For all those individuals out there who shudder when they see the stock market reports, or like me, do not open any envelopes that contain any information about their own assets at this point, but let them pile up in a corner, this bill is for you. It takes a lot of strong and positive steps, as have been outlined here in terms of dealing with the corporate responsibility and the corporate governance issues we needed to address.

I believe we have seen the clouds, I believe we have seen the rain in the form of Enron, WorldCom, and a few others. Now we are seeing the clearing someplace out there, as we search to get brighter. And, hopefully, it will get even brighter yet. This piece of legislation may be a first step, but it is a very large first step we have taken.

Like others who have spoken today, I believe we do have to deal with other issues. I believe we have to look at the question of expensing options. I believe we have to look at separating analysts from the investment banking side of a number of firms in the United States of America. Perhaps we can go to less dependence on quarterly reports, more real-time reporting in terms of financial information coming from the corporations and a variety of other steps.

But I think that Congress has stepped forward in a very responsible fashion, and I congratulate everybody. The gentleman from New York (Mr. LAFALCE), I know, had a lot of ideas in this, as well as the gentleman from Ohio (Mr. OXLEY), and the Senator from Maryland, Mr. SARBANES, on the other side. They have done a wonderful job.

This should start to give reassurance to our markets and to people across America.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE), a member of the committee.

Ms. LEE. Mr. Speaker, I rise today in strong support of this conference agreement to H.R. 3763, which significantly reforms our current system to bring true responsibility and accountability to these major corporations who have used creative accounting and fraud to advance their own greed.

I want to especially thank our ranking member on the Committee on Financial Services for all of his hard work, the gentleman from New York (Mr. LAFALCE), for pushing these very strong reforms, and to Chairman OXLEY for ensuring that this is a bipartisan plan.

While I was extremely disappointed that the Republican leadership brought up such a weak bill earlier this year, one that I voted against, I am delighted that they agreed to a much stronger provision in the LaFalce legislation.

This agreement protects employees and investors, separates auditing and consulting functions, which got Enron and the other corporations into the mess that they are in now, and sets up an independent board.

Now, I hope that soon Congress can take the next step and provide restitution to laid-off workers and investors who lose their life savings. CEOs and high- ranking executives should forego their golden parachutes and multi-million-dollar-year bonuses while their companies are going bankrupt, and instead give workers and investors first rights to these funds.

Once again I want to thank the gentleman from New York (Mr. LAFALCE) for his leadership and Chairman OXLEY for bringing such a responsible bill to the House floor.

Mr. OXLEY. Mr. Speaker, may I inquire as to how much time remains on both sides.

The SPEAKER pro tempore. The gentleman from Ohio (Mr. OXLEY) has 11 minutes remaining, and the gentleman from New York (Mr. LAFALCE) has 14¾ minutes remaining.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. COX), a member of the conference committee.

Mr. COX. Mr. Speaker, I thank the chairman for his extraordinary good work.

Fraud and unfair dealing are the enemies of the free enterprise system. And as we can see from the turmoil in our markets, our country is paying a very high price because of the corporate fiduciaries who have broken faith with their employees and their investors.

We have tough laws on the books to deal with all manner of crime, including corporate crime; but just as bacteria mutate to avoid the latest antibiotics, those who cook the books are constantly changing their recipes, and we have to keep our laws and our remedies up to date.

Enron, Global Crossing, WorldCom, and the other cases that we have seen have all centered around accounting frauds. Abuses of accounting rules were central to each of these cases. Using the regulatory thicket of detailed accounting rules, the malefactors in these cases intentionally structured sham transactions to disguise their true financial condition. That is why the central reform in this legislation is the creation of an accounting oversight board to see to it that accounting standards once again make financial reports truthful, honest, and clear.

As we raise the legal standard here today, we should bear in mind our obligations to do still more to raise ethical standards so that the best and the brightest will continue to want to join the accounting profession; so that our most experienced citizens, possessed of good judgment, are willing to undertake the significant oversight responsibilities on corporate boards of directors; and so that entrepreneurs will still take the risks and dream boldly without fear of being second-guessed if the race is not won.

This is an important step we are taking today, Mr. Speaker. I am very happy to join in support of this conference report.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES), a member of the committee.

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I know that this committee is very short of time, and so I will give my time back to the ranking member; but I want to say it is a shame that we were here in April doing legislation like this and ended up having to come back when we really realized that we needed to hold CEOs accountable.

Mr. Speaker, I rise today in strong support of H.R. 3763, the Conference Report on Corporate Responsibility and I seek permission to revise and extend my remarks.

The events of the past months have underscored the importance of transparency in corporate governance. While many believed that Enron was an isolated occurrence, the failures of Tyco, Global Crossing, and WorldCom have eroded confidence in the markets, both here and overseas.

Investment in the stock market is important to our economy and as a wealth-creating tool for people of all income levels. Although the majority of companies are operated honestly, investors will not trust the market if they believe that their money is not safe. If investors don't invest—the economy will stagnate which hurts people at every level of our society. Recent drops in value of stock markets both here and around the world reflect uncertainty and a current lack of investor confidence.

It is our responsibility to hold accountable those companies and individuals that act dishonestly and erode investor confidence. I support this bill and I commend the conferees because they have crafted a strong piece of legislation. This bill would remove conflicts of interest and strengthen corporate accountability by a number of key reforms such as: creating a strong and independent board to oversee the accounting profession; by requiring separation of the auditing and accounting functions of firms; by reforming the independence of stock analysts and decreasing the influence of investment banking firms over analysts; by authorizing $776 million to the Securities and Exchange Commission to enable them to achieve higher staffing levels to enforce the law.

Although these reforms are needed, there are other, holistic changes that need to take place as well.

Over the past decade, CEO tenure has dropped while salaries have risen dramatically. This has created a climate in which some dishonest CEO's may be tempted to ''take the money and run.'' This costs a pall on the majority of executives who operate honestly.

When CEO's and others are compensated with stock options, the options are not shown as a business expense on a company's balance sheet. This distorts the cost of these options to shareholders, who are not provided a clear picture of a company's financial position. It may also provide an incentive to ''cook the books'' to achieve quick gains in stock price for an executives' personal benefit. This malfeasance has a clear effect on workers who lose their jobs and investors who lose their money.

I support the Democratic proposal to allow stockholders to determine whether management is compensated with stock options. This change in corporate governance would ultimately reward companies that operate cleanly by restoring investor confidence in companies with transparent operations.

Mr. Speaker, this week Congress has accomplished a great deal to help workers, investors, and the stability of markets the world over. We will continue to build our economy over the weeks and months to come.

Mr. OXLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. TOOMEY).

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

Mr. Speaker, the outright fraud of the recent accounting scandals constitutes theft that is appalling in nature and staggering in size. Millions of honest hardworking Americans who played by the rules, made sacrifices so that they could save and invest, saw those investments devastated when they were lied to by senior executives who cooked the books for their own personal gains.

Fact is, we have been robbed; and the outrage is justified. But, today, Congress will pass tough legislation to begin to restore confidence, to start to provide new protections for small investors, workers and pension holders.

Mr. Speaker, as you know, we passed a strong bill in this House last April. I am very happy that we finally got a product from the other body in July and we were able very quickly to reach a consensus and pass this tough historic legislation that will just take us closer to that vital goal that we are trying to accomplish, which is greater transparency and truthfulness in financial reporting.

I would just want to remind my colleagues that despite the calamities that we have recently seen, our free enterprise system is still the greatest wealth- producing, poverty-destroying, opportunity-creating system in the history of the world. And with these reforms, our system will start to recover the confidence that it deserves from investors in America and all around the world.

□ 1115

Mr. Speaker, I want to congratulate the gentleman from Ohio (Mr. OXLEY), the gentleman from New York (Mr. LAFALCE), and the other members of the conference committee for getting this job done quickly.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Indiana (Ms. CARSON), a member of the Committee on Financial Services.

(Ms. CARSON of Indiana asked and was given permission to revise and extend her remarks.)

Ms. CARSON of Indiana. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I want to applaud the gentleman from New York (Mr. LAFALCE), the ranking member, for staying the course and insisting that we protect America and American investors, and also to Senator SARBANES.

I rise in support of H.R. 3763 for many reasons. I realize that regardless of what we call it, there was passed by this Congress in 1994 a bill called Private Securities Litigation Reform Act which opened up the floodgates for corporate greed. I appreciate the gentleman from New York (Mr. LAFALCE) staying the course and giving more money to SEC so they have more resources to overseeing all these public companies, over 17,000 plus.

Mr. Speaker, I rise to voice my support for the conference report on H.R. 3763, however today we are being asked to vote on the minimum that Congress should do and not the best.

According to the U.S. Department of Labor, within the past year, from May of 2001 to May of 2002 the unemployment rate in my home district of Indianapolis, IN rose from just under 3% to 4.5%. Now, there are more than 39,000 people unemployed in the city of Indianapolis alone.

This high rate of unemployment is severely straining my state's health care plan. According to the Indianapolis Star, enrollment in Indiana's Medicaid program will reach its highest level ever to cover nearly 800,000 residents, which is 56,000 more than are currently covered now. This increase in program participants has caused a $660 million difference between the budget and actual Medicare costs and is playing a major role Indiana's budget crisis. This is a problem that more than 40 states have to deal with in this current economic crisis.

Mr. Speaker, even though we have all of these impressive statistics, they really have very little meaning to the average American worker. What means something to them is when they see their retirement benefits and life savings going down the drain because some large corporation has misled their investors.

Mr. Speaker, the corporate crisis has hit home in Indiana as well. Indiana has its own Enron in AES Corporation, the global power company and new owner of Indianapolis Power and Light. Like Enron, IPALCO management sold stock while employees were encouraged to keep investing in the company plan. After AES took control the value of employee stock fell from $180,000 to around $18,000.

Now, as the Indianapolis Star reported last week, people like Joe Nelson, a coal-handling supervisor at IPALCO, who had saved almost $400,000 after 31 years of work can no longer retire. Joe has been forced to open up a lawn mowing business just to help pay for the bills.

Joe and his family are not alone, Mr. Speaker, many Americans are being forced to postpone their retirement. In a recent Gallup pole 20% of those surveyed said they expect to delay their retirement by an average of 4.4 years because of the recent economic crisis.

We are constantly told that the stock drops are rollercoasters, binges and economic hangovers that will disappear. However, it is the retirement dreams of hard working hoosiers and the pension fund of state governments that we see vanishing with little chance of reappearance.

The Conference bill before us today provides the absolute minimum protections to protect investors and restore market confidence.

Still, this measure could be stronger and certainly disgorging the ill-gotten gains of these criminals and redistributing profits to the victims must be the next step.

We hear frequently that there is little that Congress should do and limit our interference. However, Congress passage of The Private Securities Litigation Reform Act of 1995 got us to where we are today. It repealed the civil RICO, thereby preventing defrauded investors from obtaining triple damages when they bring securities fraud claims.

Mr. Speaker, if we are to restore market confidence, and investors and workers are to be made whole, Congress must pass a strong bill that sets penalties, protects whistleblowers, sends wrongdoers to jail, and ensures transparency.

Assets required through fraud and betrayal of confidence should not be allowed to stand when countless Americans close to retirement must now rethink how they will downgrade their retired lives.

Mr. Speaker, indeed, if crime does not pay. Congress must reaffirm that truth. We cannot, and must not, remain confused and weak in our response to this crime wave.

We are a free market and American business interests but American business must begin to conduct itself like it is interested in Americans.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. FERGUSON).

Mr. FERGUSON. Mr. Speaker, I rise in strong support of this conference report. We have heard a lot of partisan posturing in the last several weeks about this issue and trying to use this issue for partisan gain. This issue is not about partisan politics, this is about people, hard-working Americans who play by the rules, working toward their own retirement and economic security.

Today we can finally put the partisan bickering aside and pass real reforms that are going to save and protect the retirement security of millions of Americans. This is not a win for either side on the political aisle, this is a win for employees and investors and our free market system that is based on the concept of trust.

Both the bill we passed in April and the bill that the Senate passed more recently had good provisions, and this bill before us today, the conference report, combines the strongest features of both bills. It incorporates strong accounting oversight and bans firms from offering services that create conflicts of interest. It establishes tough criminal penalties because corporate criminals should not be allowed to keep the money at the expense of hard-working Americans who wind up suffering. No more mansions, no more yachts, no more private jets or guaranteed cozy retirement packages for corporate executives who betray the public trust. By passing this legislation, we send a clear message to the corporate CEOs and to the accounting firms who monitor their companies, let me be very clear: If you violate the public trust, if you flush down the retirement security of millions of Americans, you will and you deserve to go to jail.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. CROWLEY).

Mr. CROWLEY. Mr. Speaker, I rise in strong support of this conference report as it represents real reforms to protect investors, and will lead to the first steps to restore investor confidence in our markets.

In addition to strengthening the role of the audit committees, prohibiting executives from trading the stocks when employees cannot, and including strong language with respect to disgorgement, this bill also cracks down on the formerly unaccountable accountants. As every American with a 401(k) knows, working Americans saw new examples of accounting abuses almost daily, leading to a complete breakdown in the system of outside auditing of publicly traded firms.

This bill prohibits these practices and I salute the ranking member, the gentleman from New York (Mr. LAFALCE), for championing these types of reforms from day one, even when Democrats were being voted down on party line votes in the committee to pass these types of reforms. This bill strengthens audit committees, punishes criminal acts by greedy CEOs and, most importantly, will ensure the independent auditors of America's publicly traded corporations are actually independent.

I think that this landmark legislation serves as a great tribute to our departing colleague, the gentleman from New York (Mr. LAFALCE). This House and all American investors owe a deep debt of gratitude to the gentleman. This is a good bill, and I salute the gentleman from Ohio (Mr. OXLEY), Senator SARBANES, and especially the gentleman from New York (Mr. LAFALCE) for their hard work.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON of New Mexico. Mr. Speaker, we have had some greedy people who cooked the books, aided by accountants who dishonored their profession. That is fraud, and they should go to jail for it. Now we are going to tighten down some of the rules of the system to make sure that this cannot happen again, and to restore confidence in the American system of free enterprise.

I support American free enterprise, and because I support free enterprise, we need to crack down on people who would break the law and steal people's retirement security and the amount of money they are saving for their kids' education.

It is a good step forward, and I commend the committee for their hard work and for sending a clear message to the American people. We are a country of free enterprise, and we will not tolerate people who break the law.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. ISRAEL), a member of the Committee on Financial Services.

Mr. ISRAEL. Mr. Speaker, I rise to support this conference report, but with a word of caution. This bill offers new rules and regulations. The fact is that we had rules, and they were ignored. We had laws and they were broken. We had regulations and they were worthless. We had laws on the books, and the books were cooked.

Now we have new laws, and I am sure we have plenty of lawyers already parsing the words and figuring out ways around them.

Mr. Speaker, all of the new rules and regulations will not be effective if the fox continues to guard the henhouse. The words in this bill will be no more than words if regulators continue to look the other way. With this bill has to come true reform in how the White House and the SEC and the Justice Department enforce those laws. The American people played by the rules. They have seen their retirements delayed, their college tuition funds depleted, their downpayments disappear. Now they will be watching how serious Washington is, not on the day that we pass this bill, but in the years going forward when it must be enforced. We will be judged not by what we pass today, but by how it is enforced tomorrow.

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania (Mr. GEKAS).

Mr. GEKAS. Mr. Speaker, I rise in strong support of this legislation, and one of the strong elements in it is what attracts me to a positive vote for all of us in this measure. That is the tougher penalties that are built into the new system that we are about to embark upon. The deterrent value of that by itself makes it worthwhile for us to support this legislation.

But as a passing glance on this whole scene, the American public ought to take some satisfaction from the fact that the current law, the law that is now on the books, has brought to justice the Arthur Andersen firm, has brought to justice others in the various schemes that have come to light, indictments are pending, and just recently we had a picture in the Washington Post of the Adelphia CEOs being brought to justice.

Mr. Speaker, as we are about to make the penalties tougher, we should feel a little bit better about the current system because it is bringing some of these people to justice.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. DOGGETT).

Mr. DOGGETT. Mr. Speaker, surely it is a true mark of success when the same Republican leadership allows this bill to reach the floor after they refused to respond years ago with genuine change, and, even after the Enron fiasco, they rejected strong new laws, and who only a few hours ago this very week were trying to mangle the determined reform efforts of the gentleman from New York (Mr. LAFALCE) and Mr. SARBANES. ''Success,'' by this measure, yes.

But for those who are about to retire and now see their retirement account vanished, for those who saved to support a young person obtaining a worthwhile college degree and now have only worthless securities, for those who labored in their jobs and find themselves jobless, this success comes a little too late to celebrate. They cannot even afford the champagne cork to pop. For thousands of Americans, an ounce of prevention from Congress that would have truly ensured a vigilant public watchdog instead of a toothless lapdog for corporate wrongdoers would have been worth much more than this belated pound of cure that comes long after so many have suffered so very severely. They can justifiably ask this Congress, ''Where were you when we needed you?''

Mr. OXLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Pennsylvania (Ms. HART), a valuable member of our committee.

Ms. HART. Mr. Speaker, I thank the gentleman for yielding me this time.

The House's decision to bring this bill to a conference with the Senate was much derided, especially by those on the other side of the aisle. But I am here to support this conference report and bring up a couple of points that are very important in the bill that would not have been included but for the decision of the gentleman from Ohio (Mr. OXLEY) and others to bring this bill to a conference.

The most important is that many people lose money when these corporate criminals steal money. Those people are the investors, the employees of those companies. The Senate bill did not include any provision for those people to recover their money. That was placed into the bill in conference placed in by the Republican House. This is one of the most important issues to those who have invested in 401(k)s for their retirement, and those saving money for their children's education. Those people will be able to recover monies as a result of a decision by the House to go to conference as a result of this fine conference report that we will vote on today.

Mr. Speaker, the adoption of real-time disclosure will help people make better decisions, and as a result of this conference report, we will have much better enforcement.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. PRICE), a former member of the Committee on Financial Services.

Mr. PRICE of North Carolina. Mr. Speaker, I rise in strong support of the conference report on the Corporate Accountability and Accounting Reform bill. I particularly want to commend the ranking member, the gentleman from New York (Mr. LAFALCE), for his steadfast leadership. I also want to congratulate our House Republican conferees who, after opposing the House counterpart of the Senate bill, offered by Democrats, have finally read the economic tea leaves and capitulated to the Senate on the bill's major provisions.

We now have a bill that creates a strong accounting oversight board, restricts the nonaudit services that accounting firms can provide to audit clients, implements tough new corporate responsibility standards, requires public companies to disclose financial information quickly and accurately, prohibits stock analysts' conflicts of interest, and authorizes the SEC to enhance its investigative and enforcement capabilities.

At last we have a serious reform bill. I urge my colleagues to support it.

Mr. LAFALCE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. BONIOR), the distinguished former minority leader.

Mr. BONIOR. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, if Americans work hard, they deserve a good wage. If they get sick, they deserve health care. If they put a lifetime of service into a company or government, they deserve a pension that nobody can take away.

Over the last several months, we have witnessed despicable acts of corporate irresponsibility by some of our Nation's largest corporations. Workers and investors in Enron and DCT and WorldCom and others, they have seen their life investments, their life savings, disappear, their pensions wiped out, their health care benefits stolen, their lives destroyed in many instances.

□ 1130

Those at the top have refused to take responsibility while everybody else has taken the fall.

We are here today to send a message loud and clear that if somebody breaks the security laws, if they rob hard-working people of their pensions, they will go to jail just like they would if they would rob a bank. We are standing here to today and we are standing for the rights of working people to know that their wages and their pensions and their benefits are secure.

Mr. Speaker, this is a good effort and a good work by the gentleman from New York (Mr. LAFALCE) and Mr. SARBANES and others in this body. I commend it to my colleagues, and I urge them to vote yes on this conference report.

Mr. LAFALCE. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, beginning in 1995, the leadership of this Congress was successful in the following deregulatory efforts. They shielded accountants and corporations from shareholder lawsuits. They killed new Securities and Exchange Commission proposals to increase standards to ensure that auditors are independent and objective in certifying corporate numbers. They cut the Securities and Exchange Commission budget, essentially limiting their ability to protect investors from security scam artists. They passed deregulation of energy derivatives, which enabled Enron to run wild, and they opposed President Clinton's efforts to participate in international efforts to check offshore tax havens. In other words, they created the climate

and increased the incentives to commit the kind of corporate fraud that has robbed millions of Americans of their pensions and financial security.

This bill corrects some of those, let me call them, mistakes. But it does not do all that needs to be done. It does not deal with the issue of corrupt manipulation of stock options. It does not deal with the problem of fraudulent IPOs. Yes, this bill is a good bill as far as it goes. It is certainly better than that cream puff legislation that was out here last April or the fraudulent piece that came out here last week. This is a much better effort and deals to some extent, to a significant extent, with the real problems that were created as a result of the deregulation mania that swept through this House and the other House as well beginning in 1995. So let us pass it but let us not kid ourselves. This was created here. It needs to be corrected here and the job is not yet done.

Mr. LAFALCE. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas (Ms. JACKSON-LEE), a member of the Committee on the Judiciary.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from New York (Mr. LAFALCE) and the gentleman from Ohio (Mr. OXLEY) as well who, as he will recall in the early days of the Enron debacle, I joined him in his hearings and I thank him for the kindness extended. And for those of us in Houston, we thought that the world had collapsed and it was only us.

I remember a teaming town hall meeting that I held with the interim leadership of Enron, and one of those laid-off employees stood up and said that he budgets his shaving cream and his toothpaste because he was barely left with 75 cents. Those employees were laid off within 24 hours after Enron had filed bankruptcy, within 72 hours of giving retention bonuses of $105 million to corporate execs.

But then we found out there was a roll call of corporate failures in America. We knew it was not us, but we realized that on behalf of America we had to do something. And I am glad that Mr. LAFALCE stayed strong on the strength and the toughness of these legislative initiatives that would bring us now to the point where we do have criminal penalties for securities fraud, and though I have an omnibus bill that includes many of these features, and I am delighted that they are incorporated in this legislation, we needed to speak now and we are speaking now because we have legislation that penalizes those who would alter or destroy documents.

It unfolded again in Houston as the Andersen trial proceeded. We give shareholders the right to sue and most of all we require reports when corporate insiders dump their stock. But, Mr. Speaker, we have yet one more thing to do and I hope we will do it, and that is, to give secured status to those unemployed workers who suffer when a company files bankruptcy, and I hope we will pass that legislation in the near future. I ask my colleagues to vote for this bill that will send a strong message to the corporate markets of America.

This has been a year when the faith of ordinary Americans has been badly shaken. The restatements of corporate earnings have been followed by accusations of corporate wrongdoing at some of the country's largest and most touted corporations, including Global Crossing, Bristol Myers Squibb, Tyco International, and Worldcom Inc. The billions of dollars in losses in shareholder equity are mounting every day.

The string of recent corporate disclosures undermines investor confidence, scares off foreign investment, and slows down an already shaky recovery. To me, it is not enough to talk about accountability, you have to act to ensure it. Innocent investors have been betrayed by the abuses of creative accounting practices and financial disclosure or more appropriately non-disclosure. I am appalled at what has happened to them as a result of this tragic event.

In today's economy, there is an emerging crisis of a lack of universal confidence in our markets. What has failed is nothing more than the system of overseeing our capital markets. We have an opportunity and obligation to repair the trust of investors. It's tempting to brush aside business ethics as a nebulous, well-intentioned subject suitable for business school, with little practical value in the real world. That is a big mistake. A 2000 survey by the Ethics Resource Center found that 43 percent of respondents believed their supervisors don't set good examples of integrity. The same percentage felt pressured to compromise their organization's ethics on the job. That's a startling number, two years before Enron imploded.

A crucial feature of corporate ethics is the understanding of the business organization as a moral actor. Moral actor means that the company can be held responsible and accountable from an ethical perspective.

It is important to recall that the insistence on corporate ethics does not diminish the importance of the ethics of individuals and institutions. Corporate ethics fills a gap and recognizes the crucial roles which business organizations play in modern societies. When moral actors are held responsible for what they can do the usual games of finger-pointing and blaming each other can be reduced. It has become common practice for corporations to prepare an ethics code for the guidance of their officers and employees. However, one corporate C.E.O. has argued that this is simply an empty gesture since, ''those corporations with a sound moral base do not need it and for the others it is just a fig leaf.'' This is supported by the fact that the introduction of corporate codes did not prevent the recent white collar scandals.

There is a tendency in many corporate ethics codes not to make the same clear cut demands of its directors as are made of its employees. Consequently, it is difficult for employees to refrain from full disclosure when managerial pressure is constantly brought upon them to make a sale at any price. Moreover, corporate ethics codes which promote whistle blowing, must in all fairness provide protection (financial, moral and job security) for the whistle blower. No corporate ethical code can operate when management policy seeks to find legal loopholes in the requirements of the fiscal or regulatory authorities. Just as the codes require individual conscience and morality so do they require corporate management understanding that to be law abiding is not enough.

I believe this is the time for immediate action by Congress as thousands of employees and families are counting on congressional leadership to rise up against corporate failures. Congress has a responsibility to working class citizens of this country to provide legislation that (1) ensures plan protection of retirement accounts, by requiring plan diversification; (2) provides employees with investment advice about plan assets; and (3) expands and imposes both civil and criminal liability for pension plan fiduciaries and administrators. I think that Congress has failed to enact the reforms needed to curb these corporate accounting scandals.

The Enron debacle stands as a corporate wrong. The Enron fiasco has established beyond a shadow of a doubt that white collar fraud can be incredibly damaging and costs innocent Americans billions of dollars of their hard earned money. Enron employees worked hard to build Enron into one of America's largest and most profitable corporations, and they should not be punished for what their corporate managers did.

Employees are fearful of losing their jobs. Investors are worried whether they should continue to hold stocks in these failing corporations and the stock market. Retirees are concerned about the safety of their pensions. All these concerns undermine confidence in our financial markets and have the potential to derail our economic recovery. Because of all the corporate scandals that we have seen, thousands of workers have been hurt, and millions of investors and retirees have seen their 401(k)s gutted. I have introduced a bill that protects workers, protects shareholders, and protects pensions, H.R. 5110, the Omnibus Corporate Reform and Restoration Act of 2002.

H.R. 5110 prioritizes employees by allowing them to make claims on their corporation, after the corporation has filed for bankruptcy protection, for wages or severance of up to $15,000. This is important because workers have worked hard to build profitable corporations, and should not be penalized by the fraudulent behavior of their corporate managers.

Moreover, H.R. 5110 provides oversight of Boards of Directors, and prohibits loans to company officers and directors, and creates criminal penalties for destroying or altering documents. In addition, the bill effectively prevents plan administrators from engaging in unlawful and unethical practices, and ensures that plan participants who are allowed to diversify their interest are adequately represented on pension boards and receive adequate independent investment advise. In addition, H.R. 5110 punished those who destroy or manipulate evidence of fraud. H.R. 5110 provides prosecutors with better tools to effectively prosecute and punish those who defraud investors and provides for tough criminal penalties to make them think twice before defrauding the public.

H.R. 5110 toughens criminal penalties for altering or destroying documents. It also prohibits loans to officers and directors, which are authorized by the Board of Directors. It establishes a 20 percent Limitation on Employer Stock and Real Property held by Participant in Certain Individual Account Plans. In addition, H.R. 5110 allows for plan participants to ''opt out'' of the 20 percent limitation provided that they give signed and written notice of such waiver. H.R. 5110 improves Accounting Standards for Special Purpose Entities [SPE]. It compels the SEC to direct the Financial Accounting Standards Board to revise applicable SPE accounting language, by increasing the 3 percent rule to 10 percent. The 3 percent rule currently calls for an owner independent of the would-be-parent to make a substantive equity investment of at least 3 percent of the SPE's total capital.

The Senate has passed S. 2673, Public Company Accounting Reform and Investor Protection Act of 2002 sponsored by Senator PAUL SARBANES. This makes key improvements over our current system. It creates a strong independent audit oversight board to audit the auditors. It restricts the non-audit services that an accounting firm can provide to public companies it audits. What this means is that auditors will not have conflicts of interest which would interfere with their auditing. In addition, it says that CEOs and CFOs must certify the accuracy of financial statements and disclosures. Also, S. 2673 requires CEOs and CFOs to relinquish bonuses and other incentive-based compensation and profit on stock sales in the event of an accounting restatement resulting from fraud. And most importantly, it authorizes funding for the SEC to $776 million, as compared to the $469 million in President Bush's budget request for the SEC.

It appears that the Republicans are trying to slow down the progress of the Sarbanes bill, by bringing a bill that would impose tougher criminal penalties on fraudulent corporate executives. They have passed H.R. 5118, Corporate Fraud Accountability Act of 2002. Most troubling about H.R. 5118 is the lack of whistleblower protection and the extension of the statute of limitations for investor lawsuits.

S. 2673 extends whistleblower protections to corporate employees, thereby protecting them from retaliation in cases of fraud and other acts of corporate misconduct. Whistleblowers in the private sector, like Sharron Watkins, should be afforded the same protections as government whistleblowers. The Republican bill omits this provision.

Consequenlty, S. 2673 amends the unnecessarily restrictive statute of limitations governing private securities claims. Under current law, defrauded investors have only one year from the date on which the alleged violation was discovered or three years after the date on which the alleged violation occurred. Because these type of violations are often successfully concealed for several years, the Senate increased the time period to 2 years after the date on which the alleged violation was discovered or 5 years after the date on which the alleged violation occurred. This protects investors, but the Republican bill lacks this provision.

Alan Greenspan, the Federal Reserve chairman, pointed out, in his testimony to the Senate Banking Committee on July 17th, that a corporate culture blighted by infectious greed was the cause of the breakdown in confidence among investors. Chairman Greenspan, who has been an advocate of deregulation and reliance on market forces to police good business practices, acknowledged that he had been mistaken in initially opposing government involvement in oversight of auditing. ''My view was always that accountants knew or had to know that the market value of their companies rested on the integrity of their operations'' and that government regulation of accounting was therefore ''unnecessary and indeed most inappropriate, but I was wrong''.

If the Chairman of the Federal Reserve says that his opinion was wrong concerning oversight of auditors, then change is needed. We must restore confidence in our financial markets by establishing sound guidelines for corporate governance and auditing that investors can trust and feel confident with their investments. I ask my colleagues to support H.R. 2763, the corporate accountability report which includes many of the provisions of my Omnibus Corporate Responsibility Act, H.R. 5110, and is now much stronger with whistleblower protection and criminal penalties for document destruction and bad decisions by corporate executives.

Mr. LAFALCE. Mr. Speaker, I yield myself the balance of my time.

This has been a long journey. I remember when we assumed jurisdiction for the first time in the House Committee on Financial Services over the field of securities. That was January of 2001. And one of the very first things I did was to begin meeting with representatives from the SEC, the Securities and Exchange Commission; and most especially with the acting chairman at the time, Laura Unger, former staff assistant to Senator D'Amato; and also with the chief accountant at the time, Mr. Lynn Turner.

And from Ms. Unger I learned how grossly understaffed the SEC was. I learned from her how much more money they believed they needed than they were able to get out of OMB. I learned how limited their staff resources were in comparison with the enormous increase in their work load and I brought this to the attention of the House Committee on Financial Services during hearings and during markups. We really should have increased the authorization for the SEC much, much earlier.

From Mr. TURNER I learned about the enormous number of earnings restatements that the SEC was mandating. As a matter of fact, they were tripling in 6 months what they had done the prior entire year. And I learned about the earnings manipulation that was taking place in corporate America, the earnings manipulation that was being done by corporate officers, acquiesced in either knowingly, or unknowingly in a great many instances—probably in most—by corporate directors, and acquiesced in, either knowingly or unknowingly, but complicitly by auditors, oftentimes with a conflict of interest.

I learned, too, about the enormous conflicts of interest that research analysts had. That alarmed me so much so that I sent a newsletter out to each and every one of my constituents in early 2001 called ''Protecting Your Investments'' where I talked about earnings manipulation, where I talked about the desire of corporate officers, directors, et cetera to increase market capitalization because their compensation was based, in large part, on stock options and how we needed to do something about that.

I talked in that newsletter about the conflicts of interest that research analysts have because they have become hypesters, spinsters in order to obtain investment banking business for their securities firms.

And I was disappointed when the only bill we took up was a bill that would reduce the SEC fees. We did have one good provision in that bill, and that was pay parity, but I thought we needed to give attention in 2001 to all of those issues. I was also disappointed when President Bush, at the end of 2001, did sign that bill and could not bring himself to even mention pay parity and the need for pay parity. All he talked about was how wonderful it is to cut the fees that individuals have to pay before the SEC.

I was disappointed when, even after Enron, which was at the very end of 2001, when this should have been a matter that everybody was concerned about. Wanting to do something, the President barely mentioned the problems in corporate America and could not bring himself to mention the problems of Enron. I was further disappointed because I was writing the President letter after letter that his budget in February of 2002 called for a minuscule increase of 6 percent, which was not enough to do anything. We needed so much more, as Chairman OXLEY knows, because in 2002, we did pass a bill significantly increasing the authorization, although not the appropriations, for the SEC.

It has been a long journey. There have been good and bad ideas from both Democrats and Republicans. I introduced the best bill that my staff and I could think of early in 2002. I wish it had passed earlier. It did not. I think an awful lot of its best ideas are in this conference report, as are an awful lot of the best ideas of the gentleman from Ohio and others, and I think we can stand proud today on this product. I just wish we would have acted upon it earlier. There are lessons to be learned from this for the future. This could fade from memory.

Mr. Speaker, how much time do I have left?

The SPEAKER pro tempore (Mr. SWEENEY). The gentleman's time has expired.

Mr. LAFALCE. Let us vote for the bill. And we know what those lessons are. Let us heed them in the future.

Mr. Speaker, I ask unanimous consent for 1 more minute.

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

There was no objection.

Mr. LAFALCE. We would not be here today without the tremendous work of staff. Staff really does it all. We put our names on legislation, but staff really does the work. I have had a great staff. My staff director, Jeanne Roslanowick, who is also my general counsel, is magnificent. I have had so many individuals I cannot mention them all, but Lawranne Stewart and Michael Paese of my staff have devoted almost all their time from the day they came with me in drafting this legislation. They gave it to the Senate, they worked with the Senate staff basically, and Senator SARBANES and his staff basically took our work product. It is their work product, not mine, and they should be recognized. If there are any names on this bill, it should be the names of the staffers who really drafted it.

Mr. OXLEY. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore. The gentleman from Ohio is recognized for 3½ minutes.

Mr. OXLEY. Mr. Speaker, we indeed, I would say to my friend from New York, have come a long way. This has been quite a journey. The gentleman from New York pointed out that we had first gotten that jurisdiction in the new Committee on Financial Services last January, and what a ride it has been on a number of very important issues, but nothing is more important really than restoring investor confidence in our system, and that is really what brings us here today in this legislation.

Our committee was the first to have a hearing when Enron became an issue. That was back last year, in December. We were the first committee to have a hearing on the WorldCom bankruptcy. We then passed meaningful legislation, known as CARTA, back in April when nobody thought we could do it, passed it out of the committee on a bipartisan vote, came to the floor, it passed by a 3-to-1 margin with 119 Democrats voting for that legislation, and the heart and soul of what we have today was embodied in the CARTA legislation.

There is a lot of misinformation out there that that is not the case. Believe me, the idea of having an oversight board, an independent oversight board, tightening the rules through the SEC, providing more penalties and more transparency all were embodied in the CARTA legislation and that is why it enjoyed such wide bipartisan support. And then 3 months later, the Senate acted when the WorldCom situation blew up, and I give them a great deal of credit. That is what brings us here today, to adopt this conference report.

We have made enormous progress. The SEC is strengthened substantially. The gentleman from New York mentioned the analyst issue. Chairman BAKER, at my direction last year, started hearings on analyst conflicts and it brought us to a press conference in February in which we announced that the SEC and the SROs were getting together and drafting regulations. Those regulations have been in effect now for 2 weeks. Nobody knows about it because everybody is paying attention to what is going on here in the Congress, but those are very important rules that are going to be very effective in dealing with analysts and their conflicts. The New York Stock Exchange, the NASDAQ, announced listing requirements, again, virtually ignored in the media but really have teeth in terms of corporate governance. They are saying to these folks, ''If you don't get your act together, you're not going to be listed on the NASDAQ or the New York Stock Exchange.''

□ 1145

The Business Roundtable stepped forward with best practices.

So we are here today to celebrate, I think, a very strong bipartisan bill. This is how the process works. We had great consultation and work with the Senate. I want to pay tribute to my good friend from New York, the ranking member of our committee, who I worked with on a number of issues, and also in particular Senator SARBANES, the chairman of the Banking Committee in the Senate. I cannot think of anybody that I have worked with in my 21 years in the Congress who has been more open to ideas and suggestions and has been more professional in the way he has handled himself on this important legislation, and he deserves a great deal of credit for getting us where we are today.

Sometimes in the world of Washington politics it is all about who is up, who is down, who has won, who has lost. The bottom line here is the American people have won. We have restored or are beginning to restore investor confidence with what we have done, as well as what happened in the private sector and among the regulators.

Yes, we strengthened the SEC, and, yes, even with the increased authorization, I would say to my friend from New York, the SEC will still be getting twice the amount of fees that it will take to run the organization.

This has been a wonderful experience I think for all of us, and I would encourage and urge all of the Members to support this very strong conference report. Let us get this bill to the President for his signature, hopefully as early as next week.

I think all of us can take a great deal of pride in what we have been able to accomplish today.

Mrs. MINK of Hawaii. Mr. Speaker, I rise in strong support of H.R. 3763, the Accounting Industry Reform Act. It represents an important step to restoring the integrity of our corporate system. I commend the conferees for producing a strong and effective piece of legislation.

At Enron, Adelphi, and WorldCom, executives and auditors cooked the books in order to fatten their bank accounts while placing the interests of their companies, their employees, and their shareholders at risk. The public has responded to these accounting lapses with understandable outrage. Thousands lost their savings. Even more lost their retirement accounts. Thousands are without work, and companies are facing bankruptcy.

H.R. 3673 imposes tough criminal penalties for corporate wrongdoing. Many will serve time in jail. Among other things, it punishes those who defraud shareholders of publicly traded companies and those who destroy or create evidence with the specific intent of obstructing justice. The bill also gives shareholders adequate time to pursue securities-fraud cases, protects those who disclose information that help detect and stop fraud, and compensates victims of securities fraud.

H.R. 3673 provides that corporate executives must certify their financial reports and forces those found guilty of noncompliance to forfeit profits and bonuses they may receive. It prevents officers and directors who engage in wrongdoing to move from one company to another. And, the bill prohibits corporations from providing ''sweetheart'' loans—that is, direct or indirect personal loans—to or for any director or executive officer.

I strongly urge my colleagues to support H.R. 3673 and send a strong message to executives, auditors, stock analysts, and directors that we will no longer tolerate a corporate culture of greed that places entire companies, thousands of jobs, and billions of dollars worth of private investments at risk.

Mr. ETHERIDGE. Mr. Speaker, I rise in support of this corporate reform bill to crack down on crooked business executives. This Congress must take action to rein in these crooks and restore confidence in American corporations.

Mr. Speaker, we must all remember that this bill regulates public corporations, not privately-held companies. By accepting money from private citizens, these corporations bear a special responsibility to their investors and need to be held accountable.

The American financial system has been the envy of the world because of its long history of integrity. Both individuals and corporate money managers around the world have long believed that they could invest in American stocks with confidence. They believed that the information they received from public companies was timely and accurate.

Lately that trust has been sorely tested, and the plunging stock market is a clear indicator of investor fears.

H.R. 3763, the Accounting Industry Reform Bill, will help restore investor confidence in America's financial markets by instituting a series of reforms that will increase corporate responsibility standards, improve regulatory oversight and toughen criminal penalties.

With this legislation Congress sends a clear message to the American people that we will not tolerate skirting securities laws in order to obscure or cover-up financial mismanagement

and mask corporate greed. This bill will enact common-sense reforms for publicly traded companies to keep investors safe and restore faith in our economic institutions.

The American people put their trust and their money into the stock market as a savings vehicle for their children's education, their retirements and their financial stability. We owe it to them to make sure everyone, not just corporate insiders and rich investors, has access to the same accurate, clear and timely information on which to base their financial decisions. I urge America's business leaders to work with Congress and regulatory authorities to successfully implement these new reforms, punish corporate criminals and restore confidence in our financial markets.

Mr. GEORGE MILLER of California. Mr. Speaker, I rise in support of the conference report on H.R. 3763, the ''Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002.'' The fact that the U.S. Congress is responding so quickly and strongly to the corporate scandals that are unfolding each day demonstrates how serious the problem is and the danger to the entire U.S. economy. Much of the focus has been on the huge salaries, giant golden parachutes, and obscene loans, all for the executives who were mismanaging many of these corporations.

But that relentless greed has led to financial ruin for tens of thousands of employees and shattered the retirement security of hundreds of thousands of others. Throughout the 1990's, Wall Street kept telling everyone that the stock market could be an ever expanding pie and everyone would be a winner. People who had never bought a stock in their lives were convinced to invest, and often, invest with inadequate information about how to do so and protect their economic security at the same time.

But little by little, many companies had to lie and steal to keep the myth going. And now we are all paying the price. I hope the bill before us will stem the tide. I hope Wall Street and Main Street will wake up and learn to play by the rules once again. And let's be clear: this bill establishes much tougher rules. There is no magic way to make money. Companies have to earn it. They have to make products that people want to buy. They have to treat people fairly. You can't cook the books and pretend you have profits. Corporate America has to go back to the basics and earn the trust of the American people again.

I particularly want to comment on the effect the still-unfolding corporate scandals have had on our pension system and the work still before Congress. Part of today's problem has also involved companies using their pension plans like company bank accounts. That behavior must stop, and Government regulators must do a better job to ensure it has stopped. Pension plans are the employees' money. Workers should have involvement and be provided full information on how their pension plan is operated.

The bill before us requires pension plans to provide 30 days advance notice of any restrictions on the sale of employer stock or other plan investments. A proposal first included in the pension reform bill proposed by Democrats on the Committee on Education and the workforce. I am glad that the bill toughens current ERISA criminal penalties for ERISA violations.

I am glad the bill cracks down on insider trading and loans to corporate officers, a provision first proposed in legislation I recently introduced.

But, we need to go even further. It is time for the Congress to pass strong pension reform to protect the retirement security of all employees. We need to give workers a right to control their own pension funds. We need pension funds and mutual funds to demand better corporate governance. We need to look more aggressively at the adequacy of our retirement system. American workers will not be able to retire if their 401(K)s continue to be treated as piggy banks for Wall Street.

We have a lot of work still ahead of us, but today is a great step forward. I urge the Congress to continue to be vigilant and ensure that corporations play by the rules and act fairly.

Mr. OXLEY. Mr. Speaker, it is my understanding that the Board will have discretion to contract or outsource certain tasks to be undertaken pursuant to this legislation and the regulations promulgated under the Act. Examples of tasks suitable for contracting or outsourcing would include maintenance of computer databases and registration records. Of course, an exercise of discretion in this manner does not absolve the Board of responsibility for the proper execution of the contracted or outsourced tasks.

Mr. BEREUTER. Mr. Speaker, this Member rises today to express his strong support for the conference report on H.R. 3763, the Public Company Accounting and Investor Protection Act of 2002. This bill is necessary to protect investors by ensuring auditor independence in the accounting of publicly traded companies.

Recent corporate scandals, such as Enron, Arthur Andersen, WorldCom, Global Crossing, and Tyco, have shaken investor confidence in the U.S. stock market. The ''looting'' of businesses for unreasonable personal gain and the flagrant deception of stockholders and investors by top executives in some instances has been outrageous. This Member believes that a renewed sense of corporate responsibility in America is needed in order to restore the trust of investors. Guilty corporate leaders should serve prison terms and not in ''country club'' prisons. As a result of these recent corporate scandals, Congress is voting today on this conference report in order to strengthen the laws which govern publicly held corporations and accounting firms.

This Member would like to first express his appreciation to the distinguished gentleman from Illinois (Mr. HASTERT), the Speaker of the House, and the Distinguished gentleman from Texas (Mr. ARMEY), the Majority Leader of the House, for bringing this conference report to the House Floor before the August recess and thereby sending a strong signal—that corporations, and those individuals who run such corporations, must be responsible, and if they are not responsible, then this legislation will ensure that they pay a stiff price for such arrogance and deception.

This Member would also like to express his appreciation to the distinguished gentleman from Ohio (Mr. OXLEY), the Chairman of the House Financial Services Committee, for his steadfast efforts to bring this conference report to the House Floor. In addition, this Member would like to express his appreciation to the distinguished gentleman from Louisiana (Mr. BAKER), the Chairman of the Financial Services Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises, for his innovative efforts, which are included in this conference report. Lastly, this Member would also like to give recognition to the distinguished gentleman from Maryland (Senator SARBANES), the Chairman of the Senate Banking Committee, for his good faith efforts in negotiating this conference report.

It is very important to note that in April the House acted first in response to this crisis of confidence in corporate responsibility when the House passed its original version of corporate accounting reform (H.R. 3763) on April 24, 2002, by a bipartisan vote of 334–90. The Senate later passed its legislation (S.2673) on July 15, 2002, by a vote of 97–0. However, subsequent to the House and Senate's passage of their respective bills, many more corporate accounting scandals have been brought to the public's attention. Therefore, to address these increasingly serious matters, the House passed the Corporate Fraud Accountability Act of 2002 (H.R. 5118) on July 16, 2002, to further strengthen criminal penalties and provide jail terms for accounting and auditing improprieties at publicly traded companies. As such, this Member is pleased that the conference report for H.R. 3763 properly takes the best provisions from each of the House-passed bills and the Senate-passed bill in order to give maximum future protection to American investors.

Therefore, this Member would like to discuss the following important provisions of the conference report for H.R. 3763, which provide the following: (1) creates a public company accounting oversight board; (2) increases auditor independence; (3) stiffens criminal penalties; (4) holds corporate executives accountable; and (5) provides for enhanced corporate disclosures to investors.

1. PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD

First, the conference report creates a public company accounting oversight board consisting of five members whom are independent of the accounting industry. Three of the five members must never have been practicing accountants and the other two members may only be accountants who have not practiced activiely for the past five years. This oversight board is authorized to set auditing, quality control and independence standards and it has disciplinary powers to impose sanctions including a finding that a firm is not qualified to audit publicly held companies.

Under current law, accountants for publicly held corporations are subject to partial oversight by both their professional organizations and governmental agencies, including the American Institute of Certified Public Accountants, the Federal Accounting Standards Board, the Securities and Exchange Commission, and the state boards of accountancy which license accountants at the state level.

2. AUDITOR INDEPENDENCE

The H.R. 3763 conference report also addresses the problems of auditor independence which, for example, were evident in Arthur Andersen's disputed accounting of Enron. This Member would like to focus on the following three auditor independence provisions of this legislation which: makes the audit committee of the board of directors of a publicly held corporation responsible for the hiring, compensation, and the oversight of the independent auditor; prohibits accounting companies from providing enumerated consulting and auditing

services to publicly held companies (This addresses an obvious conflict of interest. It is important to note that this conference report states that auditors may provide permitted consulting services, such as tax preparation, for their publicly held auditing clients with the approval of the audit committee of the client's board of directors.); and requires the rotation of the chief audit partner after auditing a publicly held company for five consecutive years.

3. STRENGTHENS CRIMINAL PENALTIES

The H.R. 3763 conference report appropriately increases the criminal punishment for those corporate crooks who defraud their investors. For example, the conference report creates a new crime of ''securities fraud'' whereby whoever knowingly executes a scheme or artifice to defraud any person in connection with any security shall be fined and/or imprisoned for not more than 25 years. In addition, this conference report also increases the criminal maximum prison term for mail fraud and wire fraud violations from 5 to 20 years.

Furthermore, the conference report for H.R. 3763 strengthens the laws that criminalize document shredding and other forms of obstruction of justice. This conference report allows a maximum prison term of 20 years for tampering with evidence and a maximum prison term of up to 10 years for destruction of audit records. It is important to note that the criminal penalties in this conference report are very similar to those found in the Corporate Fraud Accountability Act of 2002 (H.R. 5118) which the House passed on July 16, 2002.

4. HOLDS CORPORATE EXECUTIVES ACCOUNTABLE

As is well documented, recently a number of corporate executives have abused their power to the great detriment of their shareholders. For example, some corporate executives, who defrauded their investors of their savings, are still able to live in their extravagant mansions. The conference report for H.R. ??36763 addresses these abuses, as the agreement requires chief executive officers and chief financial officers of publicly held companies to certify the accuracy of financial reports and holds them liable if they knowingly deceive the public with such reports. Furthermore, the measure also mandates that chief executive officers and chief financial officers of publicly held companies must return bonuses received within one year of any company report that requires a correction because of misconduct.

Additionally, it is important to note that this conference report further addresses corporate executive impropriety by including a provision known as the Federal Account for Investor Restitution (FAIR), which was initiated by the distinguished gentleman from Louisiana (Mr. BAKER). The FAIR provision requires that funds be returned from these fraudulent corporate executives to investors who have lost money in the markets as a result of corporate executive malfeasance.

5. ENHANCED CORPORATE DISCLOSURES FOR INVESTORS

Finally, in order to keep investors fully apprised of the activities of a publicly held corporation, a provision in the conference report requires companies to make real-time disclosures of financial information that is important to investors, such as material changes in a company's financial condition. This provision is an initiative of the House and this Member is pleased that the Senate agreed that this was an important provision to include in this measure.

Mr. Speaker, on a different note, it should be noted that this Member is a cosponsor of H.R. 5147, which was introduced by the distinguished gentlelady from California (Ms. BONO) and the distinguished gentleman from Nebraska's 2nd Congressional District (Mr. TERRY). This legislation would require that the value of stock options granted by a public corporation to an officer or employee must be recorded as an expense in a corporation's financial statement. However, this Member believes that it is very unfortunate that the concept behind H.R. 5147 is not included in the conference report of H.R. 3763.

This Member also believes that it is necessary to count stock options as corporate expenses. Publicly held companies currently are able to hide billions of dollars of costs and thus inflate profits through the loophole of not counting the cost of stock options as an expense. A distinguished Nebraskan, Mr. Warren Buffet, has been a strong advocate of counting stock options as expenses. In fact, he serves on the corporate boards of Coca-Cola and the Washington Post, both of which, on their own initiative, have decided to count their stock options as expenses. This Member would encourage other corporations to follow their example and would also encourage his distinguish colleagues (Mr. TERRY and Ms. BONO) to continue their pursuit of H.R. 5147's passage into law.

Mr. Speaker, in conclusion, this Member would note that the conference report for H.R. 3763 is a giant step forward in providing further protection for investors of publicly held corporations in the future. In addition, this Member firmly hopes that the corporate executives at Enron, Arthur Andersen, and WorldCom are punished in the proper manner for their grossly irresponsible, probably illegal, corporate behavior.

In closing, this Member urges his colleagues to support the conference report for H.R. 3763.

Mr. LUTHER. Mr. Speaker, today represents what this Congress can accomplish when we work together in a bipartisan manner. Today this Congress is poised to pass legislation that will go a long way toward restoring the integrity of the equity markets and, consequently, investor confidence in those markets.

It took us far too long to get here. In late April, this House passed a bill that represented a start, but was still wholly inadequate in addressing the deficiencies that currently plague corporate auditing and securities regulations. Those deficiencies have now largely been addressed in this Conference Report. By creating a truly independent accounting oversight board, mandating true auditor independence, requiring CEO certification of the accuracy of financial statements, imposing stiff criminal penalties for fraud, and initiating a rulemaking procedure for the conflicts of interest of stock analysts, this Conference Report represents a promising legislative response to jittery investors who understandably have lost faith in the financial information on which they rely.

Most importantly, this legislation substantively addresses the type of massive and egregious corporate fraud that has hurt so many ordinary Americans. Thousands of hard working employees have been mercilessly punished for the deeds of rich executives who enriched themselves by pushing the envelope on accounting standards, sometimes to the point of criminal culpability. If there is one outcome to this bill that we can all be particularly proud of, it is the knowledge that we are protecting millions of hard-working Americans—their jobs, their investments and their pensions—from unethical corporate behavior. This impact on the lives of ordinary citizens cannot be understated, and I am very pleased that we have finally come together as a Congress to address their needs and not the needs of entrenched corporate interest groups that too often dominate the political deliberations of this Congress.

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

Mr. SHOWS. Mr. Speaker, today I rise in favor of the bipartisan conference report on Corporate Accountability that provides necessary reform and the appropriate reaction to the current business climate of scandal and fraud.

Although many honest corporate officers and executives abide by sound business principles, we now have the framework in place to prevent wrongdoing and punish those who refuse to play by the rules.

Consumers, employees, and investors affected by the recent revelation of widespread financial misrepresentation and fraud deserve both answers and solutions so that confidence in accounting independence, objectivity, and integrity is restored.

In my district, the work of honest, hard-working employees and the reputation of a home grown Mississippi company has been infected by corporate greed, as executives cooked the books, deceiving the investing public and company employees.

In fact, in the few days since this conference began, WorldCom, the second largest long distance provider in the U.S. and the only Fortune 500 company in Mississippi filed for bankruptcy.

I was disappointed that the Shows-Leahy provision, which would have increased the amount of severance pay that WorldCom employees would receive under the bankruptcy filing, was not included in the conference report. Unfortunately, although House Republicans accepted almost all of the tough, Senate Democratic provisions, they refused to accept this important worker protection provision. WorldCom employees faced unexpected job loss through no fault of their own. They deserve fair treatment and due severance. As the Congressman who represents WorldCom's headquarters and the many employees and investors who have suffered from the revelation of accounting improprieties at WorldCom, I will continue to push this issue and to call on my colleagues in Congress to support commonsense worker protection.

Investors and employees charged the conference committee to look at the systemic issues that have encouraged executives in the corporate world to ignore sound business principles.

We have answered this call and delivered a strong bill. This reform package establishes a new independent, regulatory body—the Public Accounting Oversight Board—that will oversee the auditing of publicly-traded companies. Under these reform provisions, CEOs will be required to certify the accuracy of company financial reports. Company loans to corporate officers will be prohibited, and auditors will be required to maintain true independence from

the company under review. The bill also requires the forfeiture of bonuses and other incentives in the event of an accounting restatement and serious misconduct by an executive officer.

Victims whose savings and retirement was lost at the hands of greedy corporate executives should be compensated. The Corporate Accountability package requires the Securities and Exchange Commission to establish the ''FAIR'' fund. This fund would be used to compensate victims who lost money because of corporate wrongdoing. Funds for FAIR would come from civil penalties collected from corporate executives through administrative or judicial fines.

I appreciate the opportunity to serve as a member of the Conference Committee. I am proud of the product reached through bipartisan negotiations. I fully support the strong measures in the Public Company Accounting Reform and Investor Protection Act because, although we cannot legislate corporate morality, provisions in this bill will deter and severely penalize those who lie, cheat, and steal by falsifying a company's financial statements to pad executives' pockets on the backs of its employees and shareholders. U.S. investors and employees deserve no less.

Mr. CHAMBLISS. Mr. Speaker, I rise today in support of H.R. 3763, the Corporate Accountability Act of 2002. I congratulate my good friends Congressman OXLEY and Congressman BAKER not only for their leadership on this legislation but for the leadership they have provided to this body in passing real reforms for corporate accountability.

Whether it is Global Crossing, Arthur Anderson, WorldCom, Enron, Tyco or Adelphia the story is the same. Some executives are cooking the books and employees and public stock holders are left holding the bag. Mr. Speaker, a crook is a crook, and it doesn't matter if you use a 38 special or a golden pen if you steal you should go to jail.

I urge my colleagues to support this legislation, so when I go home to Georgia next week I will be able to look folks in the eye knowing that we passed legislation today which will, provide stiffer penalties and greater oversight, so corporate crooks will no longer be able to prey on hardworking Georgians who play by the rules.

Mr. ROYCE. Mr. Speaker, thank you for this opportunity to voice my support for this important legislation. Last Friday, during the first hearing called for this conference committee, I stated my belief that the similarities between the House and Senate versions of this bill were greater than the differences between them. My belief has been vindicated here today, proven by the speedy conclusion reached between the House and the Senate on this conference report.

Last Friday, I also spoke of my desire to work with my colleagues from the other body, and from the other side of the aisle, to send President Bush the strongest, most sensible bill possible so that we could restore investor trust in the fairness of our capital markets. I believe that this legislation does precisely that, and I would like to compliment Chairman OXLEY and Chairman SARBANES for their hard work, dedication and willingness to compromise to reach a quick conclusion on this bill on behalf of the American people. The American investors who have lost their hard-earned savings, and those hard-working employees who have lost their jobs because of corporate malfeasance deserve quick and decisive action from their elected officials. Today, we have risen above partisanship and helped to restore confidence in the American capitalist system.

Last week I described the bi-partisan, anti-fraud sentiment that I believe is motivating each of us to reform American corporate governance and auditing standards by passing this legislation. Many of us here recognized a shortcoming in our legal system—the reticence to treat corporate criminal behavior as seriously as we treat common criminal behavior—and resolved that this bill should reflect the true seriousness of white-collar crime.

I believe that that this legislation accomplishes this task. By including the House-passed language to increase the criminal penalties for securities fraud, document-shredding and mail and wire fraud, I believe that we have acted wisely and swiftly to prevent other Enrons, WorldComs and Global Crossings from happening. By including Chairman BAKER'S FAIR language, we have ensured that wronged shareholders whose hard-earned savings are stolen from them by pinstriped crooks have those funds returned to their retirement accounts, and not used to build a $100 million retirement mansion in Bermuda for an expatriate executive. By ensuring that companies disclose material changes to their financial condition to the public on a rapid and current basis, we have ensured that everyone, not just corporate insiders, has access to it.

I would like to congratulate all of my colleagues here today on their excellent work in producing this legislation, and I look forward to seeing President Bush sign it into law. The American people deserve nothing less.

Ms. ESHOO. Mr. Speaker, I rise in strong support of this Conference Report. Our markets have traditionally been the deepest, broadest and most transparent in the world. This transparency has given Americans confidence in those markets. Today, tragically that confidence has been shaken to the core. Innocent investors and employees have been decimated because of the collapse of once Fortune 500 companies.

This legislation will take a major step toward restoring confidence in corporate America, confidence in our markets, and confidence in our government's ability to protect investors from fraudulent activity. This bill gives the SEC the tools it needs to prevent future Enrons, Worldcoms, and other corporate scandals.

The bill we're voting on today: requires the SEC to appoint a full-time board to oversee and discipline if necessary auditors of publicly traded companies; prevents audit firms from providing consulting services to companies they audit, putting a stop to what was a major conflicts of interest; require CEOs and CFOs of public companies to certify the accuracy of financial reports and be held liable for knowingly deceiving the public; and greatly increases the prison sentences for fraudulent activity. We've witnessed daily one corporate scandal after another so we know corporate self-governance has failed.

This bill responds to that failure with tough measure that ensure U.S. corporations, their executives, and the companies that audit them are fully accountable for the financial information they provide to investors.

I salute the work of Senator PAUL SARBANES, who's tireless effort led to this strong and solid bill. No matter what the criticisms have been to roll back or roll over, he stayed the course and now we will finally have the largest reforms to the SEC since the Great Depression.

Decent Americans deserve these protections. I urge my colleagues to support this measure.

Mr. BLUMENAUER. Mr. Speaker, today Congress will approve the Public Company Accounting Reform and Investor Protection Act of 2002 Conference Report, which will likely be signed into law by the end of this week. Like families nationwide who have seen investment savings deteriorate and have lost confidence in our markets and business leaders, I have been concerned with revelations about inaccurate corporate accounting and inappropriate and in some cases illegal corporate practices. Recent events have had tragic consequences in my district where employees of Portland General Electric had little control over the company's association with Enron.

I support this legislation that will provide funding and regulations that will improve the integrity of the corporate world and help alleviate the anxieties of employees and investors. I trust that this is an incremental step in the process to bring about accurate financial statements and independent relationships among corporate management, auditors, and investment analysts. The marketplace or Congress will need to address the issue of stock options to ensure meaningful reporting and eliminate perverse incentives, while not preventing companies from offering this important incentive to compensate employees and give them ownership opportunities

While reforms are absolutely necessary, witness the 270 public companies that restated their financial statements in 2001, I'm also concerned that Congress does not turn this into a witch hunt or pass ill-conceived legislation. I will continue to work to ensure that we do not overreach our objective of a sound economy, ethical management and arms-length transactions. We will not be helping families and the economy be implementing unnecessarily stringent regulations that are costly and burdensome.

This legislation begins the process of putting in place the reforms needed to prevent future tragedies that are so devastating to the savings and lives of American workers and families. As we move forward, I urge my colleagues to continue to develop fair provisions that will both protect investors and employees while allowing the economy to thrive.

Mr. CONYERS. Mr. Speaker, I am very pleased that the conferees have reached an agreement on accounting reform, and I want to congratulate Chairman SARBANES and Chairman OXLEY for their work on this issue. I also want to thank Chairman LEAHY and Ranking Member LAFALCE for their stellar leadership in the area of corporate fraud.

The proposed agreement includes nearly all of the important safeguards from the legislation Senator LEAHY introduced in the Senate and that I introduced in the House in April. Among other things, the agreement includes language lengthening the statue of limitations for securities fraud, mandating document retention for auditors, civil whistle blower protection, and sentencing enhancements for document shredding. Some made no secret of the fact that they would have preferred to gut

these safeguards. But in the end, Senate Democrats stood their ground, and this legislation represents a major win for the American public.

I wish House Republicans would have been able to agree to these critical reforms earlier, but in the end I believe we have strong legislation that will provide defrauded investors with a greater ability to recoup lost assets, afford prosecutors with increased tools to pursue corporate wrongdoers and impose harsher penalties for those accused of committing securities fraud.

As good as this bill is, it's important to note that the agreement is just a first step toward protecting American investors and workers. We still need to fix the many, many giveaways enacted by Congress in the 1995 Securities Litigation bill. For example, we need to restore civil liability against those that aid and abet securities fraud violators, and make sure that civil RICO applies in full to securities fraud. Measures such as this will make it abundantly clear that we will not tolerate future Enron or Worldcom situations.

With nearly 80 million citizens either directly or indirectly invested in the stock market, it's incumbent upon us, as Members of Congress, to provide hardworking Americans with the necessary protections to safeguard the money they'll depend on in their retirement. Hopefully, the actions taken today will be the first step, of many, toward achieving this goal.

Mr. FORD. Mr. Speaker, I rise in strong support of the conference report on H.R. 3763. This agreement is a great victory for investors, and for our economy.

Ofr course, it will take much more than legislation to restore the confidence in the markets that has been lost. But this bill puts in place a framework to restore confidence and ensure the integrity of the markets.

I salute Chairman OXLEY for his willingness to compromise on such important issues, and Ranking Member LAFALCE for his steady leadership. this legislation will crown his legacy in Congress and on the financial services Committee.

I am pleased that the conference report includes every substantive provision of the comprehensive reform bill written by Senator SARBANES. These include: establishing a strong and independent oversight board for the accounting industry to enforce high standards for auditors of public companies; ensuring that the independence of public auditors isn't compromised by consulting fees from their clients; separating Wall Street research form investment banking—so that small investors have access to the same unbiased research as insiders; imposing tougher criminal penalties for corporate fraud—while at the same time establishing a victims' restitution fund to disgorge the ill-gotten gains of corporate executives. white-collar thieves should not be allowed to walk off with the money they have stolen from investors and employees; disclosing insider stock transactions in real-time; not days after the fact; and at long last providing the SEC with the resources it needs to do its job. It may not give Commissioner Pitt the raise or the new limousine he has asked for. But it will allow the SEC to upgrade its computer systems and hire new investigators.

Mr. Speaker, more than half of all Americans are invest in the stock market. they have entrusted public companies with their retirement savings and their children's college funds. And too often, they have been betrayed by those in positions of leadership and responsibility.

With this legislation, we cannot ensure the honesty and integrity of every individual, but we go a long way in strengthening the honesty and integrity of our system.

Mr. TIAHRT. Mr. Speaker, I rise in strong support of the accounting reform and corporate accountability conference report before us today. I commend my colleague, Chairman OXLEY, for the outstanding work he has done in crafting a final bill which will fully prosecute those who have violated the law and restore confidence in America's financial markets.

Like all Americans, I have been outraged at the revelations which have come to light in recent months concerning the practices of a number of public companies such as Enron and WorldCom, as well as the auditing practices of companies such as Arthur Andersen. While the list of affected companies pales in comparison to the more than 11,000 publicly traded U.S. companies, even a few transgressions are too many.

The bill before us would increase the maximum jail terms for mail and wire fraud from five years to 20 years, and create a new 25-year maximum jail sentence for securities fraud. Under the bill, securities fraud is defined as intentionally defrauding an individual in connection with a security or obtaining money from the purchase or sale of a security based on false pretenses. Additionally, the Conference Report strengthens laws which criminalize document shredding and other forms of obstruction of justice by providing a maximum penalty of twenty years for such a violation. Criminal penalties for pension law violations would be increased from a fine of $5,000 to $100,000 and from maximum jail time of one year to ten years.

As the recent improprieties have shown, corporate leaders, including CEOs, have been implicated in wrongdoing. Those who have the privilege of leading America's corporations have a responsibility to their investors, employees, and the public, to set ethical standards under which their companies operate. This legislation requires top corporate executives to certify that the financial statements of the company fairly and accurately represent the financial condition of the company and calls for penalties of up to ten years in prison and/or a $1 million fine. In general, willful and criminal violations of securities laws would carry a new maximum fine of $5 million—up from $1 million—and a new maximum prison-term of 20 years, up from ten years. If the violator is not an American citizen, the fine would increase to $25 million. Any attempts to retaliate against informants would carry a maximum ten-year prison term and/or fines under SEC laws.

One important area which this bill does not address is the issue of returning ill-gotten corporate gains to investors. I believe Congress must act to ensure that investors are able to reclaim their losses which are due to corporate fraud. And after the corrupt executives return the hard earned money of employees and investors, they need to get out of their mansions and yachts, and get into a jail cell.

Corporate officers who steal the retirement savings of hard-working Americans are no better than common purse snatchers on the street. In fact, they are worse given the position of trust and responsibility with which they are entrusted. If they ''cook the books'' in order to show a better bottom line, there will be a heavy price to pay.

I believe this bill sends a strong message to corporations throughout America that those who break the law will be severely punished. By dramatically increasing maximum prison terms and strengthening accountability and oversight, we have begun working toward the goal of reforming corporate America in a way which will enable citizens to have confidence in our financial markets.

I urge my colleagues to pass the Sarbanes-Oxley Conference Report.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this has been a year when the faith of ordinary Americans has been badly shaken. The restatements of corporate earnings have been followed by accusations of corporate wrongdoing at some of the country's largest and most touted corporations, including Enron, Global Crossing, Bristol Myers Squibb, Tyco International, and WorldCom Inc. The billions of dollars in losses in shareholder equity are mounting every day.

The string of recent corporate disclosures undermines investor confidence, scares off foreign investment, and slows down an already shaky recovery. To me, it is not enough to talk about accountability, you have to act to ensure it. Innocent investors have been betrayed by the abuses of creative accounting practices and financial disclosure or more appropriately non-disclosure. I am appalled at what has happened to them as a result of this tragic event.

In today's economy, there is an emerging crisis of a lack of universal confidence in our markets. What has failed is nothing more than the system of overseeing our capital markets. We have an opportunity and obligation to repair the trust of investors. It's tempting to brush aside business ethics as a nebulous, well-intentioned subject suitable for business school, with little practical value in the real world. That is a big mistake. A 2000 survey by the Ethics Resource Center found that 43 percent of respondents believed their supervisors don't set good examples of integrity. The same percentage felt pressured to compromise their organization's ethics on the job. that's a startling number, two years before Enron imploded.

The Enron debacle stands as a corporate wrong. The Enron fiasco has established beyond a shadow of a doubt that white collar fraud can be incredibly damaging and costs innocent Americans billions of dollars of their hard earned money. Enron employees worked hard to build Enron into one of America's largest and most profitable corporations, and they should not be punished for what their corporate managers did.

Employees are fearful of losing their jobs. Investors are worried whether they should continue to hold stocks in these failing corporations and the stock market. Retirees are concerned about the safety of their pensions. All these concerns undermine confidence in our financial markets and have the potential to derail our economic recovery. Because of all the corporate scandals that we have seen, thousands of workers have been hurt, and millions of investors and retirees have seen their 401(k)s gutted. I have introduced a bill that protects workers, protects shareholders, and protects pensions, H.R. 5110, the Omnibus Corporate Reform and Restoration Act of 2002.

H.R. 5510 priorities employees by allowing them to make claims on the corporation, after the corporation has filed for bankruptcy protection, for wages or severance of up to $15,000. This is important because workers have worked hard to build profitable corporations, and should not be penalized by the fraudulent behavior of their corporate managers.

Moreover, H.R. 5510 provides oversight of Boards of Directors, and prohibits loans to company officers and directors, and creates criminal penalties for destroying or altering documents. H.R. 5110 punishes those who destroy or manipulate evidence of fraud. It provides prosecutors with better tools to effectively prosecute and punish those who defraud investors and provides for tough criminal penalties to make them think twice before defrauding the public.

The conference report, H.R. 3763, Corporate Accountability Conference Report, hoping to restore confidence in the scandal-tainted corporate world, has agreed to new regulation of corporation and their auditors. The conference report also establishes stiffer penalties for those corporate managers who commit financial fraud. The report holds corporate executives criminally liable for cooking their books if they knowingly and willfully certify them.

The Conference report establishes a new broad to oversee the auditors of companies traded on the stock markets. The conferees limited accounting firms' ability to profit as both auditors and consultants to the companies they audit. The conferees also gave shareholders more time to sue companies that mislead them. The conference committee also increases the maximum fines and jail sentences for corporate managers who violate new and existing corporate laws.

The report also says that CEOs and CFOs must certify the accuracy of financial statements and disclosures, and it requires those CEOs and CFOs who certify their corporate statements are accurate, they must relinquish bonuses and other incentive-based compensation and profit on stock sales in the event of an accounting restatement resulting from fraud. To ensure that these new laws are effectively regulated, the conference report increases the funding of the SEC to $776 million.

The Federal Reserve Chairman, Alan Greenspan, pointed out, in his testimony to the Senate Banking Committee on July 17th, that a corporate culture blighted by infectious greed was the cause of the breakdown in confidence among investors. Chairman Greenspan, who has been an advocate of deregulation and reliance on market forces to police good business practices, acknowledged that he had been mistaken in initially opposing government involvement in oversight of auditing. ''My view was always that accountants knew or had to know that the market value of their companies rested on the integrity of their operations'' and that government regulation of accounting was therefore ''unnecessary and indeed most inappropriate, but I was wrong''.

If the Chairman of the Federal Reserve says that his opinion was wrong concerning oversight of auditors, then change is needed. We must restore confidence in our financial markets by establishing sound guidelines for corporate governance and auditing that investors can trust and feel confident with their investments.

We stand at the brink of the most significant financial regulations in more than 60 years. We must do all that we can to help the thousands of employees and retirees, who have suffered greatly by these events, feel that will not be punished for the fraudulent behavior of their corporate managers. Therefore, I rise to support the conference report on corporate accountability, H.R. 3763.

Mr. MALONEY of Connecticut. Mr. Speaker, I want to thank Senator SARBANES and Chairman OXLEY, and their staffs, for all of their work in bringing this important bill to the floor. I especially want to thank Ranking Member LAFALCE for his work on this important bill, and note that he will be sorely missed.

Over the past few months investors have indicated, as reflected by the events on Wall Street, that they lack the confidence to continue investing in the U.S. capital markets. Corporations such as Enron and WorldCom have submitted fraudulent financial statements to intentionally mislead investors. Other corporations such as Stanley Works are attempting to abuse the tax code to evade their fair share of taxes. This Congress must make a strong statement that corporations and top executives have a responsibility to their communities to behave honestly and in keeping with the public trust. The legislation we pass today will send a strong message that corporations and their leadership have responsibilities to their investors and our nation that they cannot fail to fulfill.

The Congress has a duty to help restore the public's confidence in the marketplace and take steps to eliminate the ability of individuals or corporations to manipulate the information that investors need to make informed decisions. This bill puts corporate executives and auditors on notice. If you commit corporate malfeasance, defraud investors, take advantage of workers, or abuse the public's trust, you will spend time in jail. We also need to take the next step and stop corporate expatriates by shutting down the tax-haven loophole. Today's bill is not the final word, but it does well begin a process of reform that is urgently needed.

The accounting and corporate management issues before us are complicated. They are, however, critical to the proper function of our markets. As we all know, the availability of timely, accurate, and truthful data are the linchpins that allow for the free flow of capital. Unfortunately, events have highlighted that the existing structure of our Nation's accounting regime is vulnerable to manipulation and fraud. This legislation will go a long way to addressing those problems. But now we also need to make sure that this new legislation is properly enforced. Corporate wrongdoers must be held accountable for their actions. If they make money from their malfeasance, that money should be recovered for the investors. If they commit fraud, they should go to prison. Our legislation today makes strong enforcement possible.

Our next step in restoring corporate accountability should be to close the Bermuda loophole in our tax code and stop corporate expatriates. The tax code should be reformed to prohibit this scheme. And we must not allow companies who abandon their corporate responsibilities to our country to continue to be awarded federal contracts. Corporate expatriates benefit from over $2 billion in lucrative government contracts, from large consulting deals with U.S. government agencies, to equipping airport screeners, to providing tools and equipment to the Department of Defense. Corporate expatriates turn their backs on America at the same time that they reach their hands out for the hard-earned money of American taxpayer. Mr. Speaker, this is outrageous, and we must stop it! I introduced legislation, along with Congressman NEAL of Massachusetts, that would do just that.

Today, Mr. Speaker, I urge my colleagues to support this bill, and help restore investor confidence in our nation's capital markets. Later in this session, I will be asking for your support of the Neal-Maloney legislation to take the next step in restoring corporate accountability.

Mr. KIND. Mr. Speaker, I rise in strong support of the conference report on H.R. 3763, the Public Company Accounting Reform and Investor Protection Act. This measure is an important first-step in restoring public trust and consumer confidence in our domestic economy.

The measure's passage comes none too soon; as we all know, as investors have become more and more disenchanted with stock equities and the market continues to suffer vicious sell-offs. The NASDAQ and Standard & Poor's 500-stock index are back to 1997 levels, wiping out $7 trillion in value from the market's peak. The Dow Jones Industrial Average has dropped to the lows reached immediately following the September 11, 2001 terrorist attacks.

The free market system that has made our nation great still works. It is, however, based on trust. That trust is only as reliable as the information that is available to the public. When that information is fraudulent, the trust in our economic system collapses. Until that trust is restored our economy will not grow. Corporate officials have a responsibility to restore that trust but so do Congress and the President.

Therefore, as legislators, we must remember that the mere passage of this one bill will not cure the ills that currently plague our economy. Complete reform will also require the cooperation of the corporate community, working with Congress to reverse the resounding effects of the actions of shady executives and unresponsive auditors.

However, as I mentioned earlier, this bill is a good beginning, and I am pleased that the measure before us establishes a new, five-member independent oversight board with the power to establish and enforce auditing independence and to establish higher corporate ethical responsibilities. The independent board will have subpoena authority as well as disciplinary and standard-setting authority. The measure also places broad statutory restrictions on auditors, including on the nonauditing or consulting services that accounting firms currently provide to publicly traded companies.

Importantly, the bill attempts to improve the ethical standards of top corporate officers. Chief Executive Officers and Chief Financial Officers must certify the accuracy of their corporation's financial reports. If executives do not comply, they face stiff criminal penalties, including as many as 20 years in prison.

Again, let us remember, this bill is just the first step. In order to restore the public's trust, Congress, upon our return from the August recess, must consider and pass legislation that protects workers' retirement savings and

strengthens investor rights. Until we do this, the American public will not be adequately protected.

For our capitalist economy to function successfully, corporate responsibility must remain paramount. In its absence, capitalism and the free market system ultimately fail.

The SPEAKER pro tempore (Mr. SWEENEY). All time has expired.

Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. OXLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 423, nays 3, not voting 8, as follows:

[Roll No. 348]

YEAS—423

Abercrombie
Ackerman
Aderholt
Akin
Allen
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clayton
Clement
Clyburn
Coble
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NAYS—3

Collins
Flake
Paul

NOT VOTING—8

Andrews
Clay
Gordon
Knollenberg
Meehan
Miller, Jeff
Stearns
Watkins (OK)

□ 1209

Mr. DOOLITTLE changed his vote from ''nay'' to ''yea.''

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. JEFF MILLER of Florida. Mr. Speaker, on rollcall No. 348, I was detained from returning for the vote.

Had I been present, would have voted ''Yea.''

Mr. CLAY. Mr. Speaker, on rollcall No. 348, I was unavoidably detained. Had I been present, I would have voted ''Yea.''

BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003

Mr. STUMP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4546) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment with an amendment.

The Clerk read the Senate amendment, and the House amendment to the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''National Defense Authorization Act for Fiscal Year 2003''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Defense Inspector General.
Sec. 106. Chemical agents and munitions destruction, defense.
Sec. 107. Defense health programs.

Subtitle B—Army Programs

Sec. 111. Pilot program on sales of manufactured articles and services of certain Army industrial facilities without regard to availability from domestic sources.

Subtitle C—Navy Programs

Sec. 121. Integrated bridge system.
Sec. 122. Extension of multiyear procurement authority for DDG–51 class destroyers.

Sec. 123. Maintenance of scope of cruiser conversion of Ticonderoga class AEGIS cruisers.
Sec. 124. Marine Corps live fire range improvements.

Subtitle D—Air Force Programs

Sec. 131. C–130J aircraft program.
Sec. 132. Pathfinder programs.
Sec. 133. Oversight of acquisition for defense space programs.
Sec. 134. Leasing of tanker aircraft.
Sec. 135. Compass Call program.
Sec. 136. Sense of Congress regarding assured access to space.
Sec. 137. Mobile emergency broadband system.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for science and technology.
Sec. 203. Defense health programs.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. Basic seismic research program for support of national requirements for monitoring nuclear explosions.
Sec. 212. Advanced SEAL Delivery System.
Sec. 213. Army experimentation program regarding design of the objective force.
Sec. 214. Reallocation of amount available for indirect fire programs.
Sec. 215. Laser welding and cutting demonstration.
Sec. 216. Analysis of emerging threats.
Sec. 217. Prohibition on transfer of Medical Free Electron Laser program.
Sec. 218. Demonstration of renewable energy use.
Sec. 219A. Radar power technology for the Army.
Sec. 219B. Critical infrastructure protection.
Sec. 219C. Theater Aerospace Command and Control Simulation Facility upgrades.
Sec. 219D. DDG optimized manning initiative.
Sec. 219E. Agroterrorist attacks.
Sec. 219F. Very high speed support vessel for the Army.
Sec. 219G. Full-scale high-speed permanent magnet generator.
Sec. 219H. Aviation-shipboard information technology initiative.
Sec. 219I. Aerospace Relay Mirror System (ARMS) Demonstration.
Sec. 219J. Littoral ship program.

Subtitle C—Missile Defense Programs

Sec. 221. Annual operational assessments and reviews of ballistic missile defense program.
Sec. 222. Report on Midcourse Defense program.
Sec. 223. Report on Air-based Boost program.
Sec. 224. Report on Theater High Altitude Area Defense program.
Sec. 225. References to new name for Ballistic Missile Defense Organization.
Sec. 226. Limitation on use of funds for nuclear armed interceptors.
Sec. 227. Reports on flight testing of Ground-based Midcourse national missile defense system.

Subtitle D—Improved Management of Department of Defense Test and Evaluation Facilities

Sec. 231. Department of Defense Test and Evaluation Resource Enterprise.
Sec. 232. Transfer of testing funds from program accounts to infrastructure accounts.
Sec. 233. Increased investment in test and evaluation facilities.
Sec. 234. Uniform financial management system for Department of Defense test and evaluation facilities.
Sec. 235. Test and evaluation workforce improvements.
Sec. 236. Compliance with testing requirements.
Sec. 237. Report on implementation of Defense Science Board recommendations.

Subtitle E—Other Matters

Sec. 241. Pilot programs for revitalizing Department of Defense laboratories.
Sec. 242. Technology transition initiative.
Sec. 243. Encouragement of small businesses and nontraditional defense contractors to submit proposals potentially beneficial for combating terrorism.
Sec. 244. Vehicle fuel cell program.
Sec. 245. Defense nanotechnology research and development program.
Sec. 246. Activities and assessment of the Defense Experimental Program to Stimulate Competitive Research.
Sec. 247. Four-year extension of authority of DARPA to award prizes for advanced technology achievements.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.
Sec. 304. Range Enhancement Initiative Fund.
Sec. 305. Navy Pilot Human Resources Call Center, Cutler, Maine.
Sec. 306. National Army Museum, Fort Belvoir, Virginia.
Sec. 307. Disposal of obsolete vessels of the National Defense Reserve Fleet.

Subtitle B—Environmental Provisions

Sec. 311. Enhancement of authority on cooperative agreements for environmental purposes.
Sec. 312. Modification of authority to carry out construction projects for environmental responses.
Sec. 313. Increased procurement of environmentally preferable products.
Sec. 314. Cleanup of unexploded ordnance on Kaho'olawe Island, Hawaii.

Subtitle C—Defense Dependents' Education

Sec. 331. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 332. Impact aid for children with severe disabilities.
Sec. 333. Options for funding dependent summer school programs.
Sec. 334. Comptroller General study of adequacy of compensation provided for teachers in the Department of Defense Overseas Dependents' Schools.

Subtitle D—Other Matters

Sec. 341. Use of humanitarian and civic assistance funds for reserve component members of Special Operations Command engaged in activities relating to clearance of landmines.
Sec. 342. Calculation of five-year period of limitation for Navy-Marine Corps Intranet contract.
Sec. 343. Reimbursement for reserve component intelligence support.
Sec. 344. Rebate agreements under the special supplemental food program.
Sec. 345. Logistics support and services for weapon systems contractors.
Sec. 346. Continuation of Arsenal support program initiative.
Sec. 347. Two-year extension of authority of the Secretary of Defense to engage in commercial activities as security for intelligence collection activities abroad.
Sec. 348. Installation and connection policy and procedures regarding Defense Switch Network.
Sec. 349. Engineering study and environmental analysis of road modifications in vicinity of Fort Belvoir, Virginia.
Sec. 350. Extension of work safety demonstration program.
Sec. 351. Lift support for mine warfare ships and other vessels.
Sec. 352. Navy data conversion activities.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Authority to increase strength and grade limitations to account for reserve component members on active duty in support of a contingency operation.
Sec. 403. Increased allowance for number of Marine Corps general officers on active duty in grades above major general.
Sec. 404. Increase in authorized strengths for Marine Corps officers on active duty in the grade of colonel.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for Reserves on active duty in support of the reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2003 limitations on non-dual status technicians.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

Sec. 501. Extension of certain requirements and exclusions applicable to service of general and flag officers on active duty in certain joint duty assignments.
Sec. 502. Extension of authority to waive requirement for significant joint duty experience for appointment as a chief of a reserve component or a National Guard director.
Sec. 503. Repeal of limitation on authority to grant certain officers a waiver of required sequence for joint professional military education and joint duty assignment.
Sec. 504. Extension of temporary authority for recall of retired aviators.
Sec. 505. Increased grade for heads of nurse corps.
Sec. 506. Reinstatement of authority to reduce service requirement for retirement in grades above O–4.

Subtitle B—Reserve Component Personnel Policy

Sec. 511. Time for commencement of initial period of active duty for training upon enlistment in reserve component.
Sec. 512. Authority for limited extension of medical deferment of mandatory retirement or separation of reserve component officer.
Sec. 513. Repeal of prohibition on use of Air Force Reserve AGR personnel for Air Force base security functions.

Subtitle C—Education and Training

Sec. 521. Increase in authorized strengths for the service academies.

Subtitle D—Decorations, Awards, and Commendations

Sec. 531. Waiver of time limitations for award of certain decorations to certain persons.
Sec. 532. Korea Defense Service Medal.

Subtitle E—National Call to Service

Sec. 541. Enlistment incentives for pursuit of skills to facilitate national service.

Sec. 542. Military recruiter access to institutions of higher education.

Subtitle F—Other Matters

Sec. 551. Biennial surveys on racial, ethnic, and gender issues.
Sec. 552. Leave required to be taken pending review of a recommendation for removal by a board of inquiry.
Sec. 553. Stipend for participation in funeral honors details.
Sec. 554. Wear of abayas by female members of the Armed Forces in Saudi Arabia.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2003.
Sec. 602. Rate of basic allowance for subsistence for enlisted personnel occupying single Government quarters without adequate availability of meals.
Sec. 603. Basic allowance for housing in cases of low-cost or no-cost moves.
Sec. 604. Temporary authority for higher rates of partial basic allowance for housing for certain members assigned to housing under alternative authority for acquisition and improvement of military housing.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Increased maximum amount payable as multiyear retention bonus for medical officers of the Armed Forces.
Sec. 616. Increased maximum amount payable as incentive special pay for medical officers of the Armed Forces.
Sec. 617. Assignment incentive pay.
Sec. 618. Increased maximum amounts for prior service enlistment bonus.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Deferral of travel in connection with leave between consecutive overseas tours.
Sec. 632. Transportation of motor vehicles for members reported missing.
Sec. 633. Destinations authorized for Government paid transportation of enlisted personnel for rest and recuperation upon extending duty at designated overseas locations.
Sec. 634. Vehicle storage in lieu of transportation to certain areas of the United States outside continental United States.

Subtitle D—Retirement and Survivor Benefit Matters

Sec. 641. Payment of retired pay and compensation to disabled military retirees.
Sec. 642. Increased retired pay for enlisted Reserves credited with extraordinary heroism.
Sec. 643. Expanded scope of authority to waive time limitations on claims for military personnel benefits.

Subtitle E—Other Matters

Sec. 651. Additional authority to provide assistance for families of members of the Armed Forces.
Sec. 652. Time limitation for use of Montgomery GI Bill entitlement by members of the Selected Reserve.
Sec. 653. Status of obligation to refund educational assistance upon failure to participate satisfactorily in Selected Reserve.
Sec. 654. Prohibition on acceptance of honoraria by personnel at certain Department of Defense schools.
Sec. 655. Rate of educational assistance under Montgomery GI Bill of dependents transferred entitlement by members of the Armed Forces with critical skills.
Sec. 656. Payment of interest on student loans.
Sec. 657. Modification of amount of back pay for members of Navy and Marine Corps selected for promotion while interned as prisoners of war during World War II to take into account changes in Consumer Price Index.

TITLE VII—HEALTH CARE

Sec. 701. Eligibility of surviving dependents for TRICARE dental program benefits after discontinuance of former enrollment.
Sec. 702. Advance authorization for inpatient mental health services.
Sec. 703. Continued TRICARE eligibility of dependents residing at remote locations after departure of sponsors for unaccompanied assignments.
Sec. 704. Approval of medicare providers as TRICARE providers.
Sec. 705. Claims information.
Sec. 706. Department of Defense Medicare-Eligible Retiree Health Care Fund.
Sec. 707. Technical corrections relating to transitional health care for members separated from active duty.
Sec. 708. Extension of temporary authority for entering into personal services contracts for the performance of health care responsibilities for the Armed Forces at locations other than military medical treatment facilities.
Sec. 709. Restoration of previous policy regarding restrictions on use of Department of Defense medical facilities.
Sec. 710. Health care under TRICARE for TRICARE beneficiaries receiving medical care as veterans from the Department of Veterans Affairs.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Major Defense Acquisition Programs

Sec. 801. Buy-to-budget acquisition of end items.
Sec. 802. Report to Congress on incremental acquisition of major systems.
Sec. 803. Pilot program for spiral development of major systems.
Sec. 804. Improvement of software acquisition processes.
Sec. 805. Independent technology readiness assessments.
Sec. 806. Timing of certification in connection with waiver of survivability and lethality testing requirements.

Subtitle B—Procurement Policy Improvements

Sec. 811. Performance goals for contracting for services.
Sec. 812. Grants of exceptions to cost or pricing data certification requirements and waivers of cost accounting standards.
Sec. 813. Extension of requirement for annual report on defense commercial pricing management improvement.
Sec. 814. Internal controls on the use of purchase cards.
Sec. 815. Assessment regarding fees paid for acquisitions under other agencies' contracts.
Sec. 816. Pilot program for transition to follow-on contracts for certain prototype projects.
Sec. 817. Waiver authority for domestic source or content requirements.

Subtitle C—Other Matters

Sec. 821. Extension of the applicability of certain personnel demonstration project exceptions to an acquisition workforce demonstration project.
Sec. 822. Moratorium on reduction of the defense acquisition and support workforce.
Sec. 823. Extension of contract goal for small disadvantaged businesses and certain institutions of higher education.
Sec. 824. Mentor-Protege Program eligibility for HUBZone small business concerns and small business concerns owned and controlled by service-disabled veterans.
Sec. 825. Repeal of requirements for certain reviews by the Comptroller General.
Sec. 826. Multiyear procurement authority for purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.
Sec. 827. Multiyear procurement authority for environmental services for military installations.
Sec. 828. Increased maximum amount of assistance for tribal organizations or economic enterprises carrying out procurement technical assistance programs in two or more service areas.
Sec. 829. Authority for nonprofit organizations to self-certify eligibility for treatment as qualified organizations employing severely disabled under Mentor-Protege Program.
Sec. 830. Report on effects of Army Contracting Agency.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Time for submittal of report on Quadrennial Defense Review.
Sec. 902. Increased number of Deputy Commandants authorized for the Marine Corps.
Sec. 903. Base operating support for Fisher Houses.
Sec. 904. Prevention and mitigation of corrosion.
Sec. 905. Western Hemisphere Institute for Security Cooperation.
Sec. 906. Veterinary Corps of the Army.
Sec. 907. Under Secretary of Defense for Intelligence.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Reallocation of authorizations of appropriations from ballistic missile defense to shipbuilding.
Sec. 1003. Authorization of appropriations for continued operations for the war on terrorism.
Sec. 1004. Authorization of emergency supplemental appropriations for fiscal year 2002.
Sec. 1005. United States contribution to NATO common-funded budgets in fiscal year 2003.
Sec. 1006. Development and implementation of financial management enterprise architecture.
Sec. 1007. Departmental accountable officials in the Department of Defense.
Sec. 1008. Department-wide procedures for establishing and liquidating personal pecuniary liability.

Sec. 1009. Travel card program integrity.
Sec. 1010. Clearance of certain transactions recorded in Treasury suspense accounts and resolution of certain check issuance discrepancies.
Sec. 1011. Additional amount for ballistic missile defense or combating terrorism in accordance with national security priorities of the President.
Sec. 1012. Availability of amounts for Oregon Army National Guard for Search and Rescue and Medical Evacuation missions in adverse weather conditions.

Subtitle B—Naval Vessels and Shipyards

Sec. 1021. Number of Navy surface combatants in active and reserve service.
Sec. 1022. Plan for fielding the 155-millimeter gun on a surface combatant.
Sec. 1023. Report on initiatives to increase operational days of Navy ships.
Sec. 1024. Annual long-range plan for the construction of ships for the Navy.

Subtitle C—Reporting Requirements

Sec. 1031. Repeal and modification of various reporting requirements applicable with respect to the Department of Defense.
Sec. 1032. Annual report on weapons to defeat hardened and deeply buried targets.
Sec. 1033. Revision of date of annual report on counterproliferation activities and programs.
Sec. 1034. Quadrennial quality of life review.
Sec. 1035. Reports on efforts to resolve whereabouts and status of Captain Michael Scott Speicher, United States Navy.
Sec. 1036. Report on efforts to ensure adequacy of fire fighting staffs at military installations.
Sec. 1037. Report on designation of certain Louisiana highway as defense access road.
Sec. 1038. Plan for five-year program for enhancement of measurement and signatures intelligence capabilities.
Sec. 1039. Report on volunteer services of members of the reserve components in emergency response to the terrorist attacks of September 11, 2001.
Sec. 1040. Biannual reports on contributions to proliferation of weapons of mass destruction and delivery systems by countries of proliferation concern.

Subtitle D—Homeland Defense

Sec. 1041. Homeland security activities of the National Guard.
Sec. 1042. Conditions for use of full-time Reserves to perform duties relating to defense against weapons of mass destruction.
Sec. 1043. Weapon of mass destruction defined for purposes of the authority for use of Reserves to perform duties relating to defense against weapons of mass destruction.
Sec. 1044. Report on Department of Defense homeland defense activities.
Sec. 1045. Strategy for improving preparedness of military installations for incidents involving weapons of mass destruction.

Subtitle E—Other Matters

Sec. 1061. Continued applicability of expiring Governmentwide information security requirements to the Department of Defense.
Sec. 1062. Acceptance of voluntary services of proctors for administration of Armed Services Vocational Aptitude Battery.
Sec. 1063. Extension of authority for Secretary of Defense to sell aircraft and aircraft parts for use in responding to oil spills.
Sec. 1064. Amendments to Impact Aid program.
Sec. 1065. Disclosure of information on Shipboard Hazard and Defense project to Department of Veterans Affairs.
Sec. 1066. Transfer of historic DF–9E Panther aircraft to Women Airforce Service Pilots Museum.
Sec. 1067. Rewards for assistance in combating terrorism.
Sec. 1068. Provision of space and services to military welfare societies.
Sec. 1069. Commendation of military chaplains.
Sec. 1070. Grant of Federal charter to Korean War Veterans Association, Incorporated.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

Sec. 1101. Extension of authority to pay severance pay in a lump sum.
Sec. 1102. Extension of voluntary separation incentive pay authority.
Sec. 1103. Extension of cost-sharing authority for continued FEHBP coverage of certain persons after separation from employment.
Sec. 1104. Eligibility of nonappropriated funds employees to participate in the Federal employees long-term care insurance program.
Sec. 1105. Increased maximum period of appointment under the experimental personnel program for scientific and technical personnel.
Sec. 1106. Qualification requirements for employment in Department of Defense professional accounting positions.
Sec. 1107. Housing benefits for unaccompanied teachers required to live at Guantanamo Bay Naval Station, Cuba.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

Sec. 1201. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1202. Funding allocations.
Sec. 1203. Authorization of use of Cooperative Threat Reduction funds for projects and activities outside the former Soviet Union.
Sec. 1204. Waiver of limitations on assistance under programs to facilitate cooperative threat reduction and nonproliferation.
Sec. 1205. Russian tactical nuclear weapons.

Subtitle B—Other Matters

Sec. 1211. Administrative support and services for coalition liaison officers.
Sec. 1212. Use of Warsaw Initiative funds for travel of officials from partner countries.
Sec. 1213. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
Sec. 1214. Arctic and Western Pacific Environmental Cooperation Program.
Sec. 1215. Department of Defense HIV/AIDS prevention assistance program.
Sec. 1216. Monitoring implementation of the 1979 United States-China Agreement on Cooperation in Science and Technology.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Modification of authority to carry out certain fiscal year 2002 projects.
Sec. 2106. Modification of authority to carry out certain fiscal year 2000 project.
Sec. 2107. Modification of authority to carry out certain fiscal year 1999 project.
Sec. 2108. Modification of authority to carry out certain fiscal year 1997 project.
Sec. 2109. Modification of authority to carry out certain fiscal year 2001 project.
Sec. 2110. Planning and design for anechoic chamber at White Sands Missile Range, New Mexico.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification to carry out certain fiscal year 2002 projects.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.
Sec. 2305. Authority for use of military construction funds for construction of public road near Aviano Air Base, Italy, closed for force protection purposes.
Sec. 2306. Additional project authorization for air traffic control facility at Dover Air Force Base, Delaware.
Sec. 2307. Availability of funds for consolidation of materials computational research facility at Wright-Patterson Air Force Base, Ohio.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Improvements to military family housing units.
Sec. 2403. Energy conservation projects.
Sec. 2404. Authorization of appropriations, Defense Agencies.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized guard and reserve construction and land acquisition projects.
Sec. 2602. Army National Guard Reserve Center, Lane County, Oregon.
Sec. 2603. Additional project authorization for Composite Support Facility for Illinois Air National Guard.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 2000 projects.

Sec. 2703. Extension of authorizations of certain fiscal year 1999 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Lease of military family housing in Korea.
Sec. 2802. Repeal of source requirements for family housing construction overseas.
Sec. 2803. Modification of lease authorities under alternative authority for acquisition and improvement of military housing.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Agreements with private entities to enhance military training, testing, and operations.
Sec. 2812. Conveyance of surplus real property for natural resource conservation.
Sec. 2813. Modification of demonstration program on reduction in long-term facility maintenance costs.

Subtitle C—Land Conveyances

Sec. 2821. Conveyance of certain lands in Alaska no longer required for National Guard purposes.
Sec. 2822. Land conveyance, Fort Campbell, Kentucky.
Sec. 2823. Modification of authority for land transfer and conveyance, Naval Security Group Activity, Winter Harbor, Maine.
Sec. 2824. Land conveyance, Westover Air Reserve Base, Massachusetts.
Sec. 2825. Land conveyance, Naval Station Newport, Rhode Island.
Sec. 2826. Land exchange, Buckley Air Force Base, Colorado.
Sec. 2827. Land acquisition, Boundary Channel Drive Site, Arlington, Virginia.
Sec. 2828. Land conveyances, Wendover Air Force Base Auxiliary Field, Nevada.
Sec. 2829. Land conveyance, Fort Hood, Texas.
Sec. 2830. Land conveyances, Engineer Proving Ground, Fort Belvoir, Virginia.
Sec. 2831. Master plan for use of Navy Annex, Arlington, Virginia.
Sec. 2832. Land conveyance, Sunflower Army Ammunition Plant, Kansas.
Sec. 2833. Land conveyance, Bluegrass Army Depot, Richmond, Kentucky.

Subtitle D—Other Matters

Sec. 2841. Transfer of funds for acquisition of replacement property for National Wildlife Refuge system lands in Nevada.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Defense environmental management.
Sec. 3103. Other defense activities.
Sec. 3104. Defense environmental management privatization.
Sec. 3105. Defense nuclear waste disposal.

Subtitle B—Recurring General Provisions

Sec. 3121. Reprogramming.
Sec. 3122. Limits on minor construction projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.
Sec. 3129. Transfer of defense environmental management funds.
Sec. 3130. Transfer of weapons activities funds.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3131. Availability of funds for environmental management cleanup reform.
Sec. 3132. Robust Nuclear Earth Penetrator.
Sec. 3133. Database to track notification and resolution phases of Significant Finding Investigations.
Sec. 3134. Requirements for specific request for new or modified nuclear weapons.
Sec. 3135. Requirement for authorization by law for funds obligated or expended for Department of Energy national security activities.
Sec. 3136. Limitation on availability of funds for program to eliminate weapons grade plutonium production in Russia.

Subtitle D—Proliferation Matters

Sec. 3151. Administration of program to eliminate weapons grade plutonium production in Russia.
Sec. 3152. Repeal of requirement for reports on obligation of funds for programs on fissile materials in Russia.
Sec. 3153. Expansion of annual reports on status of nuclear materials protection, control, and accounting programs.
Sec. 3154. Testing of preparedness for emergencies involving nuclear, radiological, chemical, or biological weapons.
Sec. 3155. Program on research and technology for protection from nuclear or radiological terrorism.
Sec. 3156. Expansion of international materials protection, control, and accounting program.
Sec. 3157. Accelerated disposition of highly enriched uranium and plutonium.
Sec. 3158. Disposition of plutonium in Russia.
Sec. 3159. Strengthened international security for nuclear materials and safety and security of nuclear operations.
Sec. 3160. Export control programs.
Sec. 3161. Improvements to nuclear materials protection, control, and accounting program of the Russian Federation.
Sec. 3162. Comprehensive annual report to Congress on coordination and integration of all United States nonproliferation activities.
Sec. 3163. Utilization of Department of Energy national laboratories and sites in support of counterterrorism and homeland security activities.

Subtitle E—Other Matters

Sec. 3171. Indemnification of Department of Energy contractors.
Sec. 3172. Worker health and safety rules for Department of Energy facilities.
Sec. 3173. One-year extension of authority of Department of Energy to pay voluntary separation incentive payments.
Sec. 3174. Support for public education in the vicinity of Los Alamos National Laboratory, New Mexico.

Subtitle F—Disposition of Weapons-Usable Plutonium at Savannah River, South Carolina

Sec. 3181. Findings.
Sec. 3182. Disposition of weapons-usable plutonium at Savannah River Site.
Sec. 3183. Study of facilities for storage of plutonium and plutonium materials at Savannah River Site.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.
Sec. 3202. Authorization of appropriations for the formerly used sites remedial action program of the Corps of Engineers.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Army as follows:

(1) For aircraft, $2,144,386,000.

(2) For missiles, $1,653,150,000.

(3) For weapons and tracked combat vehicles, $2,242,882,000.

(4) For ammunition, $1,205,499,000.

(5) For other procurement, $5,513,679,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Navy as follows:

(1) For aircraft, $9,037,209,000.

(2) For weapons, including missiles and torpedoes, $2,505,820,000.

(3) For shipbuilding and conversion, $8,624,160,000.

(4) For other procurement, $4,515,500,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Marine Corps in the amount of $1,341,219,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement of ammunition for the Navy and the Marine Corps in the amount of $1,173,157,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Air Force as follows:

(1) For aircraft, $12,613,605,000.

(2) For ammunition, $1,275,864,000.

(3) For missiles, $3,258,162,000.

(4) For other procurement, $10,477,840,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2003 for Defense-wide procurement in the amount of $3,054,943,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 106. CHEMICAL AGENTS AND MUNITIONS DESTRUCTION, DEFENSE.

There is hereby authorized to be appropriated for the Office of the Secretary of Defense for fiscal year 2003 the amount of $1,490,199,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $278,742,000.

Subtitle B—Army Programs

SEC. 111. PILOT PROGRAM ON SALES OF MANUFACTURED ARTICLES AND SERVICES OF CERTAIN ARMY INDUSTRIAL FACILITIES WITHOUT REGARD TO AVAILABILITY FROM DOMESTIC SOURCES.

(a) EXTENSION OF PROGRAM.—Subsection (a) of section 141 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 4543 note) is amended by striking ''through 2002'' in the first sentence and inserting ''through 2004''.

(b) USE OF OVERHEAD FUNDS MADE SURPLUS BY SALES.—Such section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection (c):

''(c) For each Army industrial facility participating in the pilot program that sells manufactured articles and services in a total amount in excess of $20,000,000 in any fiscal year, the amount equal to one-half of one percent of such total amount shall be transferred from the sums in the Army Working Capital Fund for unutilized plant capacity to appropriations available for the following fiscal year for the demilitarization of conventional ammunition by the Army.''.

(c) UPDATE OF INSPECTOR GENERAL'S REVIEW.—The Inspector General of the Department of Defense shall review the experience under the pilot program carried out under section 141 of Public Law 105–85 and, not later than July 1, 2003, submit to Congress a report on the results of the review. The report shall contain the views, information, and recommendations called for under subsection (d) of such section (as redesignated by subsection (b)(1)). In carrying out the review and preparing the report, the Inspector General shall take into consideration the report submitted to Congress under such subsection (as so redesignated).

Subtitle C—Navy Programs

SEC. 121. INTEGRATED BRIDGE SYSTEM.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 102(a)(4), $5,000,000 shall be available for the procurement of the integrated bridge system in items less than $5,000,000.

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 102(a)(4), the amount available for the integrated bridge system in Aegis support equipment is hereby reduced by $5,000,000.

SEC. 122. EXTENSION OF MULTIYEAR PROCUREMENT AUTHORITY FOR DDG–51 CLASS DESTROYERS.

Section 122(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2446), as amended by section 122 of Public Law 106–65 (113 Stat. 534) and section 122(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–24), is further amended by striking ''October 1, 2005'' in the first sentence and inserting ''October 1, 2007''.

SEC. 123. MAINTENANCE OF SCOPE OF CRUISER CONVERSION OF TICONDEROGA CLASS AEGIS CRUISERS.

The Secretary of the Navy should maintain the scope of the cruiser conversion program for the Ticonderoga class of AEGIS cruisers such that the program—

(1) covers all 27 Ticonderoga class AEGIS cruisers; and

(2) modernizes the class of cruisers to include an appropriate mix of upgrades to ships' capabilities for theater missile defense, naval fire support, and air dominance.

SEC. 124. MARINE CORPS LIVE FIRE RANGE IMPROVEMENTS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 102(b) for procurement for the Marine Corps is hereby increased by $1,900,000, with the amount of the increase to be allocated to Training Devices.

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 102(b) for procurement for the Marine Corps, as increased by subsection (a), $1,900,000 shall be available as follows:

(A) For upgrading live fire range target movers.

(B) To bring live fire range radio controls into compliance with Federal Communications Commission narrow band requirements.

(2) Amounts available under paragraph (1) for the purposes set forth in that paragraph are in addition to any other amounts available in this Act for such purposes.

(c) OFFSETTING REDUCTION.—The amount authorized to be appropriated by section 103(1) for the C–17 interim contractor support is reduced by $1,900,000.

Subtitle D—Air Force Programs

SEC. 131. C–130J AIRCRAFT PROGRAM.

(a) MULTIYEAR PROCUREMENT AUTHORITY.—Beginning with the fiscal year 2003 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for the procurement of C–130J aircraft and variants of the C–130J aircraft, subject to subsection (b), and except that, notwithstanding subsection (k) of such section, such a contract may be for a period of six program years.

(b) LIMITATION.—The Secretary of the Air Force may not enter into a multiyear contract authorized by subsection (a) until the C–130J aircraft has been cleared for worldwide overwater capability.

SEC. 132. PATHFINDER PROGRAMS.

(a) SPIRAL DEVELOPMENT PLAN FOR SELECTED PATHFINDER PROGRAMS.—Not later than February 1, 2003, the Secretary of the Air Force shall—

(1) identify among the pathfinder programs listed in subsection (e) each pathfinder program that the Secretary shall conduct as a spiral development program; and

(2) submit to the Secretary of Defense for each pathfinder program identified under paragraph (1) a spiral development plan that meets the requirements of section 803(c).

(b) APPROVAL OR DISAPPROVAL OF SPIRAL DEVELOPMENT PLANS.—Not later than March 15, 2003, the Secretary of Defense shall—

(1) review each spiral development plan submitted under subsection (a)(2);

(2) approve or disapprove the conduct as a spiral development plan of the pathfinder program covered by each such spiral development plan; and

(3) submit to the congressional defense committees a copy of each spiral development plan approved under paragraph (2).

(c) ASSESSMENT OF PATHFINDER PROGRAMS NOT SELECTED OR APPROVED FOR SPIRAL DEVELOPMENT.—Not later than March 15, 2003, each official of the Department of Defense specified in subsection (d) shall submit to the congressional defense committees the assessment required of such official under that subsection for the acquisition plan for each pathfinder program as follows:

(1) Each pathfinder program that is not identified by the Secretary of the Air Force under subsection (a)(1) as a program that the Secretary shall conduct as a spiral development program.

(2) Each pathfinder program that is disapproved by the Secretary of Defense for conduct as a spiral development program under subsection (b)(2).

(d) OFFICIALS AND REQUIRED ASSESSMENTS FOR PROGRAMS OUTSIDE SPIRAL DEVELOPMENT.—The officials specified in this subsection, and the assessment required of such officials, are as follows:

(1) The Director of Operational Test and Evaluation, who shall assess the test contents of the acquisition plan for each pathfinder program covered by subsection (c).

(2) The Chairman of the Joint Requirements Oversight Council, who shall assess the extent to which the acquisition plan for each such pathfinder program addresses validated military requirements.

(3) The Under Secretary of Defense (Comptroller), in coordination with the Under Secretary of Defense for Acquisition, Technology, and Logistics, who shall conduct an independent programmatic evaluation of the acquisition plan for each such pathfinder program, including an analysis of the total cost, schedule, and technical risk associated with development of such program.

(e) PATHFINDER PROGRAMS.—The pathfinder programs listed in this subsection are the program as follows:

(1) Space Based Radar.
(2) Global Positioning System.
(3) Global Hawk.
(4) Combat Search and Rescue.
(5) B–2 Radar.
(6) Predator B.
(7) B–1 Defensive System Upgrade.
(8) Multi Mission Command and Control Constellation.
(9) Unmanned Combat Air Vehicle.
(10) Global Transportation Network.
(11) C–5 Avionics Modernization Program.
(12) Hunter/Killer.
(13) Tanker/Lease.
(14) Small Diameter Bomb.
(15) KC–767.
(16) AC–130 Gunship.

SEC. 133. OVERSIGHT OF ACQUISITION FOR DEFENSE SPACE PROGRAMS.

(a) IN GENERAL.—The Office of the Secretary of Defense shall maintain oversight of acquisition for defense space programs.

(b) REPORT ON OVERSIGHT.—(1) Not later than March 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a detailed plan on how the Office of the Secretary of Defense shall provide oversight of acquisition for defense space programs.

(2) The plan shall set forth the following:

(A) The organizations in the Office of the Secretary of Defense, and the Joint Staff organizations, to be involved in oversight of acquisition for defense space programs.

(B) The process for the review of defense space programs by the organizations specified under subparagraph (A).

(C) The process for the provision by such organizations of technical, programmatic, scheduling, and budgetary advice on defense space programs to the Deputy Secretary of Defense and the Under Secretary of the Air Force.

(D) The process for the development of independent cost estimates for defense space programs, including the organization responsible for developing such cost estimates and when such cost estimates shall be required.

(E) The process for the development of the budget for acquisition for defense space programs.

(F) The process for the resolution of issues regarding acquisition for defense space programs that are raised by the organizations specified under subparagraph (A).

(c) DEFENSE SPACE PROGRAM DEFINED.—In this section, the term ''defense space program'' means any major defense acquisition program (as that term is defined in section 2430 of title 10, United States Code) for the acquisition of—

(1) space-based assets, space launch assets, or user equipment for such assets; or

(2) earth-based or spaced-based assets dedicated primarily to space surveillance or space control.

SEC. 134. LEASING OF TANKER AIRCRAFT.

The Secretary of the Air Force shall not enter into any lease for tanker aircraft until the Secretary submits the report required by section 8159(c)(6) of the Department of Defense Appropriations Act, 2002 (division A of Public Law

107–117; 115 Stat. 2284) and obtains authorization and appropriation of funds necessary to enter into a lease for such aircraft consistent with his publicly stated commitments to the Congress to do so.

SEC. 135. COMPASS CALL PROGRAM.

Of the amount authorized to be appropriated by section 103(1), $12,700,000 shall be available for the Compass Call program within classified projects and not within the Defense Airborne Reconnaissance Program.

SEC. 136. SENSE OF CONGRESS REGARDING ASSURED ACCESS TO SPACE.

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

(1) Assured access to space is a vital national security interest of the United States.

(2) The Evolved Expendable Launch Vehicle program of the Department of Defense is a critical element of the Department's plans for assuring United States access to space.

(3) Significant contractions in the commercial space launch marketplace have eroded the overall viability of the United States space launch industrial base and could hamper the ability of the Department of Defense to provide assured access to space in the future.

(4) The continuing viability of the United States space launch industrial base is a critical element of any strategy to ensure the long-term ability of the United States to assure access to space.

(5) The Under Secretary of the Air Force, as acquisition executive for space programs in the Department of Defense, has been authorized to develop a strategy to address United States space launch and assured access to space requirements.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Under Secretary of the Air Force should—

(1) evaluate all options for sustaining the United States space launch industrial base;

(2) develop an integrated, long-range, and adequately funded plan for assuring United States access to space; and

(3) submit to Congress a report on the plan at the earliest opportunity practicable.

SEC. 137. MOBILE EMERGENCY BROADBAND SYSTEM.

(a) AMOUNT FOR PROGRAM.—Of the total amount authorized to be appropriated by section 103(4), $1,000,000 may be available for the procurement of technical communications-electronics equipment for the Mobile Emergency Broadband System.

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 103(4), the amount available under such section for the Navy for other procurement for gun fire control equipment, SPQ–9B solid state transmitter, is hereby reduced by $1,000,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $7,297,033,000.

(2) For the Navy, $12,927,135,000.

(3) For the Air Force, $18,608,684,000.

(4) For Defense-wide activities, $17,543,927,000, of which $361,554,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR SCIENCE AND TECHNOLOGY.

(a) AMOUNT FOR PROJECTS.—Of the total amount authorized to be appropriated by section 201, $10,164,358,000 shall be available for science and technology projects.

(b) SCIENCE AND TECHNOLOGY DEFINED.—In this section, the term ''science and technology project'' means work funded in program elements for defense research, development, test, and evaluation under Department of Defense budget activities 1, 2, or 3.

SEC. 203. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the Department of Defense for research, development, test, and evaluation for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $67,214,000.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. BASIC SEISMIC RESEARCH PROGRAM FOR SUPPORT OF NATIONAL REQUIREMENTS FOR MONITORING NUCLEAR EXPLOSIONS.

(a) MANAGEMENT OF PROGRAM.—(1) The Secretary of the Air Force shall manage the Department of Defense program of basic seismic research in support of national requirements for monitoring nuclear explosions. The Secretary shall manage the program in the manner necessary to support Air Force mission requirements relating to the national requirements.

(2) The Secretary shall act through the Director of the Air Force Research Laboratory in carrying out paragraph (1).

(c) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 201(4), $20,000,000 shall be available for the program referred to in subsection (a).

SEC. 212. ADVANCED SEAL DELIVERY SYSTEM.

To the extent provided in appropriations Acts, the Secretary of Defense may use for research, development, test, and evaluation for the Advanced SEAL Delivery System any funds that were authorized to be appropriated to the Department of Defense for fiscal year 2002 for the procurement of that system, were appropriated pursuant to such authorization of appropriations, and are no longer needed for that purpose.

SEC. 213. ARMY EXPERIMENTATION PROGRAM REGARDING DESIGN OF THE OBJECTIVE FORCE.

(a) REQUIREMENT FOR REPORT.—Not later than March 30, 2003, the Secretary of the Army shall submit to Congress a report on the experimentation program regarding design of the objective force that is required by subsection (g) of section 113 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as added by section 113 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1029).

(b) BUDGET DISPLAY.—Amounts provided for the experimentation program in the budget for fiscal year 2004 that is submitted to Congress under section 1105(a) of title 31, United States Code, shall be displayed as a distinct program element in that budget and in the supporting documentation submitted to Congress by the Secretary of Defense.

SEC. 214. REALLOCATION OF AMOUNT AVAILABLE FOR INDIRECT FIRE PROGRAMS.

(a) REDUCTION OF AMOUNT FOR CRUSADER.—Of the amount authorized to be appropriated by section 201(1) for the Army for research, development, test, and evaluation, the amount available for continued research and development of the Crusader artillery system is hereby reduced by $475,600,000.

(b) INCREASE OF AMOUNT FOR FUTURE COMBAT SYSTEMS.—Of the amount authorized to be appropriated by section 201(1) for the Army for research, development, test, and evaluation, the amount available for research and development for the Objective Force indirect fire systems is hereby increased by $475,600,000. The amount of the increase shall be available only for meeting the needs of the Army for indirect fire capabilities, and may not be used under the authority of this section until 30 days after the date on which the Secretary of Defense submits to the congressional defense committees the report required by subsection (d), together with a notification of the Secretary's plan to use such funds to meet the needs of the Army for indirect fire capabilities.

(c) USE OF FUNDS.—Subject to subsection (b), the Secretary of Defense may use the amount available under such subsection for any program for meeting the needs of the Army for indirect fire capabilities.

(d) REPORTING REQUIREMENT.—(1) Not later than 30 days after the date of the enactment of this Act, the Chief of Staff of the Army shall complete a review of the full range of Army programs that could provide improved indirect fire for the Army over the next 20 years and shall submit to the Secretary of Defense a report containing the recommendation of the Chief of Staff on which alternative for improving indirect fire for the Army is the best alternative for that purpose. The report shall also include information on each of the following funding matters:

(A) The manner in which the amount available under subsection (b) should be best invested to support the improvement of indirect fire capabilities for the Army.

(B) The manner in which the amount provided for indirect fire programs of the Army in the future-years defense program submitted to Congress with respect to the budget for fiscal year 2003 under section 221 of title 10, United States Code, should be best invested to support improved indirect fire for the Army.

(C) The manner in which the amounts described in subparagraphs (A) and (B) should be best invested to support the improvement of indirect fire capabilities for the Army in the event of a termination of the Crusader artillery system program.

(D) The portion of the amount available under subsection (b) that should be reserved for paying costs associated with a termination of the Crusader artillery system program in the event of such a termination.

(2) The Secretary of Defense shall submit the report, together with any comments and recommendations that the Secretary considers appropriate, to the congressional defense committees.

(e) ANNUAL UPDATES.—(1) The Secretary shall submit to the congressional defense committees, at the same time that the President submits the budget for a fiscal year referred to in paragraph (4) to Congress under section 1105(a) of title 31, United States Code, a report on the investments proposed to be made in indirect fire programs for the Army.

(2) If the Crusader artillery system program has been terminated by the time the annual report is submitted in conjunction with the budget for a fiscal year, the report shall—

(A) identify the amount proposed for expenditure for the Crusader artillery system program for that fiscal year in the future-years defense program that was submitted to Congress in 2002 under section 221 of title 10, United States Code; and

(B) specify—

(i) the manner in which the amount provided in that budget would be expended for improved indirect fire capabilities for the Army; and

(ii) the extent to which the expenditures in that manner would improve indirect fire capabilities for the Army.

(3) The requirement to submit an annual report under paragraph (1) shall apply with respect to budgets for fiscal years 2004, 2005, 2006, 2007, and 2008.

SEC. 215. LASER WELDING AND CUTTING DEMONSTRATION.

(a) AMOUNT FOR PROGRAM.—Of the total amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, $6,000,000 shall be available for the laser welding and cutting demonstration in force protection applied research (PE 0602123N).

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, the amount available for

laser welding and cutting demonstration in surface ship and submarine HM&E advanced technology (PE 0603508N) is hereby reduced by $6,000,000.

SEC. 216. ANALYSIS OF EMERGING THREATS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $2,000,000 with the amount of the increase to be allocated to Marine Corps Advanced Technology Demonstration (ATD) (PE 0603640M).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $2,000,000 may be available for analysis of emerging threats.

(2) The amount available under paragraph (1) for analysis of emerging threats is in addition to any other amounts available under this Act for analysis of emerging threats.

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby reduced by $2,000,000, with the amount of the reduction allocated as follows:

(1) $1,000,000 may be allocated to Weapons and Munitions Technology (PE 0602624A) and available for countermobility systems.

(2) $1,000,000 may be allocated to Warfighter Advanced Technology (PE 0603001A) and available for Objective Force Warrior technologies.

SEC. 217. PROHIBITION ON TRANSFER OF MEDICAL FREE ELECTRON LASER PROGRAM.

Notwithstanding any other provision of law, the Medical Free Electron Laser Program (PE 0602227D8Z) may not be transferred from the Department of Defense to the National Institutes of Health, or to any other department or agency of the Federal Government.

SEC. 218. DEMONSTRATION OF RENEWABLE ENERGY USE.

Of the amount authorized to be appropriated by section 201(2), $2,500,000 shall be available for the demonstration of renewable energy use program within the program element for the Navy energy program and not within the program element for facilities improvement.

SEC. 219A. RADAR POWER TECHNOLOGY FOR THE ARMY.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(1) for the Department of Defense for research, development, test, and evaluation for the Army is hereby increased by $4,500,000, with the amount of the increase to be allocated to Army missile defense systems integration (DEM/VAL) (PE 0603308A).

(b) AVAILABILITY FOR RADAR POWER TECHNOLOGY.—(1) Of the amount authorized to be appropriated by section 201(1) for the Department of Defense for research, development, test, and evaluation for the Army, as increased by subsection (a), $4,500,000 shall be available for radar power technology.

(2) The amount available under paragraph (1) for radar power technology is in addition to any other amounts available under this Act for such technology.

(c) OFFSET.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby reduced by $4,500,000, with the amount of the reduction to be allocated to common picture advanced technology (PE 0603235N).

SEC. 219B. CRITICAL INFRASTRUCTURE PROTECTION.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated in section 201(4), $4,500,000 may be available for critical infrastructure protection (PE 35190D8Z).

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(2), the amount for power projection advanced technology (PE 63114N) is hereby reduced by $4,500,000.

SEC. 219C. THEATER AEROSPACE COMMAND AND CONTROL SIMULATION FACILITY UPGRADES.

(a) AVAILABILITY OF FUNDS.—(1) The amount authorized to be appropriated by section 201(3) for the Air Force for wargaming and simulation centers (PE 0207605F) is increased by $2,500,000. The total amount of the increase may be available for Theater Aerospace Command and Control Simulation Facility (TACCSF) upgrades.

(2) The amount available under paragraph (1) for Theater Aerospace Command and Control Simulation Facility upgrades is in addition to any other amounts available under this Act for such upgrades.

(b) OFFSET.—The amount authorized to be appropriated by section 201(2) for the Navy for Mine and Expeditionary Warfare Applied Research (PE 0602782N) is reduced by $2,500,000.

SEC. 219D. DDG OPTIMIZED MANNING INITIATIVE.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $2,500,000, with the amount of the increase to be allocated to surface combatant combat system engineering (PE 0604307N).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $2,500,000 may be available for the DDG optimized manning initiative.

(2) The amount available under paragraph (1) for the initiative referred to in that paragraph is in addition to any other amounts available under this Act for that initiative.

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for artillery systems DEM/VAL (PE 0603854A), by $2,500,000.

SEC. 219E. AGROTERRORIST ATTACKS.

(a) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, defense-wide, the amount available for basic research for the Chemical and Biological Defense Program (PE 0601384BP) is hereby increased by $1,000,000, with the amount of such increase to be available for research, analysis, and assessment of efforts to counter potential agroterrorist attacks.

(2) The amount available under paragraph (1) for research, analysis, and assessment described in that paragraph is in addition to any other amounts available in this Act for such research, analysis, and assessment.

(b) OFFSET.—Of the amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, the amount available for biological terrorism and agroterrorism risk assessment and prediction in the program element relating to the Chemical and Biological Defense Program (PE 0603384BP) is hereby reduced by $1,000,000.

SEC. 219F. VERY HIGH SPEED SUPPORT VESSEL FOR THE ARMY.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby increased by $5,500,000, with the amount of the increase to be allocated to logistics and engineering equipment–advanced development (PE 0603804A).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army, as increased by subsection (a), $5,500,000 may be available for development of a prototype composite hull design to meet the theater support vessel requirement.

(2) The amount available under paragraph (1) for development of the hull design referred to in that paragraph is in addition to any other amounts available under this Act for development of that hull design.

(c) OFFSET.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby decreased by $5,500,000, with the amount of the decrease to be allocated to submarine tactical warfare system (PE 0604562N) and amounts available under that program element for upgrades of combat control software to commercial architecture.

SEC. 219G. FULL-SCALE HIGH-SPEED PERMANENT MAGNET GENERATOR.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby increased by $1,000,000, with the amount of the increase to be allocated to Force Protection Advanced Technology (PE 0603123N).

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy, as increased by subsection (a), $1,000,000 may be available for development and demonstration of a full-scale high-speed permanent magnet generator.

(2) The amount available under paragraph (1) for development and demonstration of the generator described in that paragraph is in addition to any other amounts available in this Act for development and demonstration of that generator.

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby reduced by $1,000,000, with the amount of the reduction to be allocated to Artillery Systems–Dem/Val (PE 0603854A).

SEC. 219H. AVIATION-SHIPBOARD INFORMATION TECHNOLOGY INITIATIVE.

Of the amount authorized to be appropriated by section 201(2) for shipboard aviation systems, up to $8,200,000 may be used for the aviation-shipboard information technology initiative.

SEC. 219I. AEROSPACE RELAY MIRROR SYSTEM (ARMS) DEMONSTRATION.

Of the amount authorized to be appropriated by section 201(3) for the Department of Defense for research, development, test, and evaluation for the Air Force, $6,000,000 may be available for the Aerospace Relay Mirror System (ARMS) Demonstration.

SEC. 219J. LITTORAL SHIP PROGRAM.

(a) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 201(2) for research and development, test and evaluation, Navy, $4,000,000 may be available for requirements development of a littoral ship in Ship Concept Advanced Design (PE 0603563N).

(b) OFFSETTING REDUCTION.—Of the total amount authorized to be appropriated by section 201(2) for research and development, test and evaluation, Navy, the amount available for FORCENET in Tactical Command System (PE 0604231N), is hereby reduced by an additional $4,000,000.

Subtitle C—Missile Defense Programs

SEC. 221. ANNUAL OPERATIONAL ASSESSMENTS AND REVIEWS OF BALLISTIC MISSILE DEFENSE PROGRAM.

(a) ANNUAL OPERATIONAL ASSESSMENT.—(1)(A) During the first quarter of each fiscal year, the Director of Operational Test and Evaluation shall conduct an operational assessment of the missile defense programs listed in paragraph (3).

(B) The annual assessment shall include—

(i) a detailed, quantitative evaluation of the potential operational effectiveness, reliability, and suitability of the system or systems under each program as the program exists during the fiscal year of the assessment;

(ii) an evaluation of the adequacy of testing through the end of the previous fiscal year to measure and predict the effectiveness of the systems; and

(iii) a determination of the threats, or type of threats, against which the systems would be expected to be effective and those against which

the systems would not be expected to be effective.

(C) The first assessment under this paragraph shall be conducted during fiscal year 2003.

(2) Not later than January 15 of each year, the Director of Operational Test and Evaluation shall submit to the Secretary of Defense and the congressional defense committees a report on the assessment conducted during the preceding quarter-year. The report shall include the evaluation of the potential of the system or systems together with a discussion of the basis for the evaluation.

(3) The requirement for an annual operational assessment under paragraph (1) shall apply to programs under the United States Missile Defense Agency as follows:

(A) The Ground-based Midcourse Defense program.

(B) The Sea-based Midcourse Defense program.

(C) The Theater High Altitude Area Defense (THAAD) program.

(D) The Air-based Boost program (formerly known as the Airborne Laser Defense program).

(b) ANNUAL REQUIREMENTS REVIEWS.—(1) During the first quarter of each fiscal year, the Joint Requirements Oversight Council established under section 181 of title 10, United States Code, shall review the cost, schedule, and performance criteria for the missile defense programs under the United States Missile Defense Agency and assess the validity of the criteria in relation to military requirements. The first review shall be carried out in fiscal year 2003.

(2) Not later than January 15 of each year, the Chairman of the Joint Requirements Oversight Council shall submit to the Secretary of Defense and the congressional defense committees a report on the results of the review carried out under paragraph (1) during the preceding quarter-year.

SEC. 222. REPORT ON MIDCOURSE DEFENSE PROGRAM.

(a) REQUIREMENT FOR REPORT.—Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the Midcourse Defense program of the United States Missile Defense Agency. The report shall include the following information:

(1) The development schedule, together with an estimate of the annual costs through the completion of development.

(2) The planned procurement schedule, together with the Secretary's best estimates of the annual costs of, and number of units to be procured under, the program through the completion of the procurement.

(3) The current program acquisition unit cost and the history of acquisition unit costs from the date the program (including its antecedent program) was first included in a Selected Acquisition Report under section 2432 of title 10, United States Code.

(4) The current procurement unit cost, and the history of procurement unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under such section 2432.

(5) The reasons for any changes in program acquisition cost, program acquisition unit cost, procurement cost, or procurement unit cost, and the reasons for any changes in program schedule.

(6) The major contracts under the program and the reasons for any changes in cost or schedule variances under the contracts.

(7) The Test and Evaluation Master Plan developed for the program in accordance with the requirements and guidance of Department of Defense regulation 5000.2–R.

(b) SEGREGATION OF GROUND-BASED AND SEA-BASED EFFORTS.—The report under subsection (a) shall separately display the schedules, cost estimates, cost histories, contracts, and test plans for—

(1) the National Missile Defense/Ground-based Midcourse Defense program; and

(2) the Navy TheaterWide/Sea-based Midcourse Defense program.

SEC. 223. REPORT ON AIR-BASED BOOST PROGRAM.

Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the Air-based Boost program (formerly known as the Airborne Laser program). The report shall contain the following information:

(1) The development schedule together with the estimated annual costs of the program through the completion of development.

(2) The planned procurement schedule, together with the Secretary's best estimates of the annual costs of, and number of units to be procured under, the program through the completion of the procurement.

(3) The current program acquisition unit cost, and the history of program acquisition unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under section 2432 of title 10, United States Code.

(4) The current procurement unit cost, and the history of procurement unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under such section 2432.

(5) The reasons for any changes in program acquisition cost, program acquisition unit cost, procurement cost, or procurement unit cost, and the reasons for any changes in program schedule.

(6) The major contracts under the program and the reasons for any changes in cost or schedule variances under the contracts.

(7) The Test and Evaluation Master Plan developed for the program in accordance with the requirements and guidance of Department of Defense regulation 5000.2–R.

SEC. 224. REPORT ON THEATER HIGH ALTITUDE AREA DEFENSE PROGRAM.

(a) REQUIREMENT FOR REPORT.—Not later than January 15, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the Theater High Altitude Area Defense program. The report shall contain the following information:

(1) The development schedule together with the estimated annual costs of the program through the completion of development.

(2) The planned procurement schedule, together with the Secretary's best estimates of the annual costs of, and number of units to be procured under, the program through the completion of the procurement.

(3) The current program acquisition unit cost and the history of program acquisition unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under section 2432 of title 10, United States Code.

(4) The current procurement unit cost, and the history of procurement unit costs from the date the program (including any antecedent program) was first included in a Selected Acquisition Report under such section 2432.

(5) The reasons for any changes in program acquisition cost, program acquisition unit cost, procurement cost, or procurement unit cost, and the reasons for any changes in program schedule.

(6) The major contracts under the program and the reasons for any changes in cost or schedule variances under the contracts.

(7) The Test and Evaluation Master Plan developed for the program in accordance with the requirements and guidance of Department of Defense regulation 5000.2–R.

(b) FUNDING LIMITATION.—Not more than 50 percent of the amount authorized to be appropriated by this Act for the United States Missile Defense Agency for the Theater High Altitude Area Defense program may be expended until the submission of the report required under subsection (a).

SEC. 225. REFERENCES TO NEW NAME FOR BALLISTIC MISSILE DEFENSE ORGANIZATION.

(a) CONFORMING AMENDMENTS.—The following provisions of law are amended by striking ''Ballistic Missile Defense Organization'' each place it appears and inserting ''United States Missile Defense Agency'':

(1) Sections 223 and 224 of title 10, United States Code.

(2) Sections 232, 233, and 235 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107).

(b) OTHER REFERENCES.—Any reference to the Ballistic Missile Defense Organization in any other provision of law or in any regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the United States Missile Defense Agency.

SEC. 226. LIMITATION ON USE OF FUNDS FOR NUCLEAR ARMED INTERCEPTORS.

None of the funds authorized to be appropriated by this or any other Act may be used for research, development, test, evaluation, procurement, or deployment of nuclear armed interceptors of a missile defense system.

SEC. 227. REPORTS ON FLIGHT TESTING OF GROUND-BASED MIDCOURSE NATIONAL MISSILE DEFENSE SYSTEM.

(a) REQUIREMENT.—The Director of the United States Missile Defense Agency shall submit to the congressional defense committees a report on each flight test of the Ground-based Midcourse national missile defense system. The report shall be submitted not later than 120 days after the date of the test.

(b) CONTENT.—A report on a flight test under subsection (a) shall include the following matters:

(1) A thorough discussion of the content and objectives of the test.

(2) For each test objective, a statement regarding whether the objective was achieved.

(3) For any test objective not achieved—

(A) a thorough discussion describing the reasons for not achieving the objective; and

(B) a discussion of any plans for future tests to achieve the objective.

(c) FORMAT.—The reports required under subsection (a) shall be submitted in classified and unclassified form.

Subtitle D—Improved Management of Department of Defense Test and Evaluation Facilities

SEC. 231. DEPARTMENT OF DEFENSE TEST AND EVALUATION RESOURCE ENTERPRISE.

(a) ESTABLISHMENT.—Section 139 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(k)(1) There is a Test and Evaluation Resource Enterprise within the Department of Defense. The head of the Test and Evaluation Resource Enterprise shall report to the Director of Operational Test and Evaluation.

''(2)(A) The head of the Test and Evaluation Resource Enterprise shall manage all funds available to the Department of Defense for the support of investment in, operation and maintenance of, development of, and management of the test and evaluation facilities and resources of the Major Range and Test Facility Base. All such funds shall be transferred to and placed under the control of the head of the Department of Defense Test and Evaluation Resource Enterprise.

''(B) Subparagraph (A) shall not be construed to authorize the head of the Test and Evaluation Enterprise, nor to impair the authority of the Secretary of a military department, to manage the funds available to that military department for the support of investment in, operation and maintenance of, development of, and management of the training facilities and resources of the Major Range and Test Facility Base.

''(3) The head of the Test and Evaluation Resource Enterprise shall—

''(A) ensure that the planning for and execution of the testing of a system within the Major Range and Test Facility Base is performed by the activity of a military department that is responsible for the testing;

''(B) ensure that the military department operating a facility or resource within the Major Range and Test Facility Base charges an organization using the facility or resource for testing only the incremental cost of the operation of the facility or resource that is attributable to the testing;

''(C) ensure that the military department operating a facility or resource within the Major Range and Test Facility Base comprehensively and consistently applies sound enterprise management practices in the management of the facility or resource;

''(D) make investments that are prudent for ensuring that Department of Defense test and evaluation facilities and resources are adequate to meet the current and future testing requirements of Department of Defense programs;

''(E) ensure that there is in place a simplified financial management and accounting system for Department of Defense test and evaluation facilities and resources and that the system is uniformly applied to the operation of such facilities and resources throughout the Department; and

''(F) ensure that unnecessary costs of owning and operating Department of Defense test and evaluation resources are not incurred.

''(4) In this section, the term 'Major Range and Test Facility Base' means the test and evaluation facilities and resources that are designated by the Director of Operational Test and Evaluation as facilities and resources comprising the Major Range and Test Facility Base.''.

(b) EFFECTIVE DATE AND TRANSITION REQUIREMENTS.—(1) The amendment made by paragraph (1) shall take effect one year after the date of the enactment of this Act.

(2)(A) The Secretary of Defense shall develop a transition plan to ensure that the head of the Test and Evaluation Resource Enterprise is prepared to assume the responsibilities under subsection (k) of section 139 of title 10, United States Code (as added by subsection (a)), on the effective date provided in paragraph (1).

(B) Until the Test and Evaluation Resource Enterprise has been established, all investments of $500,000 or more in the Major Range and Test Facility Base of the Department of Defense shall be subject to the approval of the Director of Operational Test and Evaluation.

(C) In this paragraph, the term ''Major Range and Test Facility Base'' has the meaning given that term in section 139(k)(4) of title 10, United States Code, as added by subsection (a).

SEC. 232. TRANSFER OF TESTING FUNDS FROM PROGRAM ACCOUNTS TO INFRASTRUCTURE ACCOUNTS.

(a) TRANSFER OF FUNDS.—Notwithstanding any other provision of this Act, amounts authorized to be appropriated by this title for demonstration and validation, engineering and manufacturing development, and operational systems development shall be transferred to the major test and evaluation investment programs of the military departments and to the Central Test and Evaluation Investment Program of the Department of Defense, as follows:

(1) For transfer to the major test and evaluation investment program of the Army, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for the Army for demonstration and validation, engineering and manufacturing development, and operational systems development.

(2) For transfer to the major test and evaluation investment program of the Navy, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for the Navy for demonstration and validation, engineering and manufacturing development, and operational systems development.

(3) For transfer to the major test and evaluation investment program of the Air Force, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for the Air Force for demonstration and validation, engineering and manufacturing development, and operational systems development.

(4) For transfer to the Central Test and Evaluation Investment Program of the Department of Defense, the amount equal to 0.625 percent of the total amount authorized to be appropriated by this title for Defense-wide demonstration and validation, engineering and manufacturing development, and operational systems development.

(b) INSTITUTIONAL FUNDING OF TEST AND EVALUATION FACILITIES.—(1)(A) Chapter 433 of title 10, United States Code, is amended by inserting after the table of sections at the beginning of such chapter the following new section:

''§ 4531. Test and evaluation: use of facilities

''(a) CHARGES FOR USE.—The Secretary of the Army may charge an entity for using a facility or resource of the Army within the Major Range and Test Facility Base for testing. The amount charged may not exceed the incremental cost to the Army of the use of the facility or resource by that user for the testing.

''(b) INSTITUTIONAL AND OVERHEAD COSTS.—The institutional and overhead costs of a facility or resource of the Army that is within the Major Range and Test Facility Base shall be paid out of the major test and evaluation investment accounts of the Army, the Central Test and Evaluation Investment Program of the Department of Defense, and other appropriate appropriations made directly to the Army.

''(c) MAJOR RANGE AND TEST FACILITY BASE DEFINED.—In this section:

''(1) The term 'Major Range and Test Facility Base' has the meaning given the term in section 139(k)(4) of this title.

''(2) The term 'institutional and overhead costs', with respect to a facility or resource within the Major Range Test and Facility Base—

''(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

''(B) does not include an incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.''.

(B) The table of section at the beginning of such chapter is amended by inserting before the item relating to section 7522 the following new item:

''4531. Test and evaluation: use of facilities.''.

(2)(A) Chapter 645 of title 10, United States Code, is amended by inserting after the table of sections at the beginning of such chapter the following new section:

''§ 7521. Test and evaluation: use of facilities

''(a) CHARGES FOR USE.—The Secretary of the Navy may charge an entity for using a facility or resource of the Navy within the Major Range and Test Facility Base for testing. The amount charged may not exceed the incremental cost to the Navy of the use of the facility or resource by that user for the testing.

''(b) INSTITUTIONAL AND OVERHEAD COSTS.—The institutional and overhead costs of a facility or resource of the Navy that is within the Major Range and Test Facility Base shall be paid out of the major test and evaluation investment accounts of the Navy, the Central Test and Evaluation Investment Program of the Department of Defense, and other appropriate appropriations made directly to the Navy.

''(c) MAJOR RANGE AND TEST FACILITY BASE DEFINED.—In this section:

''(1) The term 'Major Range and Test Facility Base' has the meaning given the term in section 139(k)(4) of this title.

''(2) The term 'institutional and overhead costs', with respect to a facility or resource within the Major Range Test and Facility Base—

''(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

''(B) does not include an incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.''.

(B) The table of section at the beginning of such chapter is amended by inserting before the item relating to section 7522 the following new item:

''7521. Test and evaluation: use of facilities.''.

(3)(A) Chapter 933 of title 10, United States Code, is amended by inserting after the table of sections at the beginning of such chapter the following new section:

''§ 9531. Test and evaluation: use of facilities

''(a) CHARGES FOR USE.—The Secretary of the Air Force may charge an entity for using a facility or resource of the Air Force within the Major Range and Test Facility Base for testing. The amount charged may not exceed the incremental cost to the Air Force of the use of the facility or resource by that user for the testing.

''(b) INSTITUTIONAL AND OVERHEAD COSTS.—The institutional and overhead costs of a facility or resource of the Air Force that is within the Major Range and Test Facility Base shall be paid out of the major test and evaluation investment accounts of the Air Force, the Central Test and Evaluation Investment Program of the Department of Defense, and other appropriate appropriations made directly to the Air Force.

''(c) MAJOR RANGE AND TEST FACILITY BASE DEFINED.—In this section:

''(1) The term 'Major Range and Test Facility Base' has the meaning given the term in section 139(k)(4) of this title.

''(2) The term 'institutional and overhead costs', with respect to a facility or resource within the Major Range Test and Facility Base—

''(A) means the costs of maintaining, operating, upgrading, and modernizing the facility or resource; and

''(B) does not include an incremental cost of operating the facility or resource that is attributable to the use of the facility or resource for testing under a particular program.''.

(B) The table of section at the beginning of such chapter is amended by inserting before the item relating to section 9532 the following new item:

''9531. Test and evaluation: use of facilities.''.

(4) Not later than 30 days after the date of the enactment of this Act, the Under Secretary of Defense (Comptroller) shall review the funding policies of each military department to ensure that the Secretary of the military department has in place the policies necessary to comply with the Secretary's responsibilities under section 4531, 7521, or 9531 of title 10, United States Code (as added by this subsection), as the case may be. The Under Secretary shall consult with the Director of Operational Test and Evaluation in carrying out the review.

SEC. 233. INCREASED INVESTMENT IN TEST AND EVALUATION FACILITIES.

(a) AMOUNT.—Of the amount authorized to be appropriated under section 201(4), $251,276,000 shall be available for the Central Test and Evaluation Investment Program of the Department of Defense.

(b) ADDITIONAL AVAILABLE FUNDING.—In addition to the amount made available under subsection (a), amounts transferred pursuant to section 232(a)(4) shall be available for the Central Test and Evaluation Investment Program of the Department of Defense.

SEC. 234. UNIFORM FINANCIAL MANAGEMENT SYSTEM FOR DEPARTMENT OF DEFENSE TEST AND EVALUATION FACILITIES.

(a) REQUIREMENT FOR SYSTEM.—Not later than two years after the date of the enactment

of this Act, the Secretary of Defense shall implement a single financial management and accounting system for all test and evaluation facilities of the Department of Defense.

(b) SYSTEM FEATURES.—The financial management and accounting system shall be designed to achieve, at a minimum, the following functional objectives:

(1) Enable managers within the Department of Defense to compare the costs of conducting test and evaluation activities in the various facilities of the military departments.

(2) Enable the Secretary of Defense—

(A) to make prudent investment decisions; and

(B) to reduce the extent to which unnecessary costs of owning and operating Department of Defense test and evaluation facilities are incurred.

(3) Enable the Department of Defense to track the total cost of test and evaluation activities.

(4) Comply with the financial management enterprise architecture developed by the Secretary of Defense under section 1006.

SEC. 235. TEST AND EVALUATION WORKFORCE IMPROVEMENTS.

(a) REPORT ON CAPABILITIES.—Not later than March 15, 2003, the Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to Congress a report on the capabilities of the test and evaluation workforce of the Department of Defense. The Under Secretary shall consult with the Under Secretary of Defense for Personnel and Readiness and the Director of Operational Test and Evaluation in preparing the report.

(b) REQUIREMENT FOR PLAN.—(1) The report shall contain a plan for taking the actions necessary to ensure that the test and evaluation workforce of the Department of Defense is of sufficient size and has the expertise necessary to timely and accurately identify issues of military suitability and effectiveness of Department of Defense systems through testing of the systems.

(2) The plan shall set forth objectives for the size, composition, and qualifications of the workforce, and shall specify the actions (including recruitment, retention, and training) and milestones for achieving the objectives.

(c) ADDITIONAL MATTERS.—The report shall also include the following matters:

(1) An assessment of the changing size and demographics of the test and evaluation workforce, including the impact of anticipated retirements among the most experienced personnel over the five-year period beginning with 2003, together with a discussion of the management actions necessary to address the changes.

(2) An assessment of the anticipated workloads and responsibilities of the test and evaluation workforce over the ten-year period beginning with 2003, together with the number and qualifications of military and civilian personnel necessary to carry out such workloads and responsibilities.

(3) The Secretary's specific plans for using the demonstration authority provided in section 4308 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) and other special personnel management authorities of the Secretary to attract and retain qualified personnel in the test and evaluation workforce.

(4) Any recommended legislation or additional special authority that the Secretary considers appropriate for facilitating the recruitment and retention of qualified personnel for the test and evaluation workforce.

(5) Any other matters that are relevant to the capabilities of the test and evaluation workforce.

SEC. 236. COMPLIANCE WITH TESTING REQUIREMENTS.

(a) ANNUAL OT&E REPORT.—Subsection (g) of section 139 of title 10, United States Code, is amended by inserting after the fourth sentence the following: ''The report for a fiscal year shall also include an assessment of the waivers of and deviations from requirements in test and evaluation master plans and other testing requirements that occurred during the fiscal year, any concerns raised by the waivers or deviations, and the actions that have been taken or are planned to be taken to address the concerns.''.

(b) REORGANIZATION OF PROVISION.—Subsection (g) of such section, as amended by subsection (a), is further amended—

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

(2) by designating the second sentence as paragraph (2);

(3) by designating the third sentence as paragraph (3);

(4) by designating the matter consisting of the fourth and fifth sentences as paragraph (4);

(5) by designating the sixth sentence as paragraph (5); and

(6) by realigning paragraphs (2), (3), (4), and (5), as so designated, two ems from the left margin.

SEC. 237. REPORT ON IMPLEMENTATION OF DEFENSE SCIENCE BOARD RECOMMENDATIONS.

(a) REQUIREMENT.—Not later than March 1, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the extent of the implementation of the recommendations set forth in the December 2000 Report of the Defense Science Board Task Force on Test and Evaluation Capabilities.

(b) CONTENT.—The report shall include the following:

(1) For each recommendation that is being implemented or that the Secretary plans to implement—

(A) a summary of all actions that have been taken to implement the recommendation; and

(B) a schedule, with specific milestones, for completing the implementation of the recommendation.

(2) For each recommendation that the Secretary does not plan to implement—

(A) the reasons for the decision not to implement the recommendation; and

(B) a summary of any alternative actions the Secretary plans to take to address the purposes underlying the recommendation.

(3) A summary of any additional actions the Secretary plans to take to address concerns raised in the December 2000 Report of the Defense Science Board Task Force on Test and Evaluation Capabilities about the state of the test and evaluation infrastructure of the Department of Defense.

Subtitle E—Other Matters

SEC. 241. PILOT PROGRAMS FOR REVITALIZING DEPARTMENT OF DEFENSE LABORATORIES.

(a) ADDITIONAL PILOT PROGRAM.—(1) The Secretary of Defense may carry out a pilot program to demonstrate improved efficiency in the performance of research, development, test, and evaluation functions of the Department of Defense.

(2) Under the pilot program, the Secretary of Defense shall provide the director of one science and technology laboratory, and the director of one test and evaluation laboratory, of each military department with authority for the following:

(A) To use innovative methods of personnel management appropriate for ensuring that the selected laboratories can—

(i) employ and retain a workforce appropriately balanced between permanent and temporary personnel and among workers with appropriate levels of skills and experience; and

(ii) effectively shape workforces to ensure that the workforces have the necessary sets of skills and experience to fulfill their organizational missions.

(B) To develop or expand innovative methods of entering into and expanding cooperative relationships and arrangements with private sector organizations, educational institutions (including primary and secondary schools), and State and local governments to facilitate the training of a future scientific and technical workforce that will contribute significantly to the accomplishment of organizational missions.

(C) To develop or expand innovative methods of establishing cooperative relationships and arrangements with private sector organizations and educational institutions to promote the establishment of the technological industrial base in areas critical for Department of Defense technological requirements.

(D) To waive any restrictions not required by law that apply to the demonstration and implementation of methods for achieving the objectives set forth in subparagraphs (A), (B), and (C).

(3) The Secretary may carry out the pilot program under this subsection at each selected laboratory for a period of three years beginning not later than March 1, 2003.

(b) RELATIONSHIP TO FISCAL YEARS 1999 AND 2000 REVITALIZATION PILOT PROGRAMS.—The pilot program under this section is in addition to, but may be carried out in conjunction with, the fiscal years 1999 and 2000 revitalization pilot programs.

(c) REPORTS.—(1) Not later than January 1, 2003, the Secretary shall submit to Congress a report on the experience under the fiscal years 1999 and 2000 revitalization pilot programs in exercising the authorities provided for the administration of those programs. The report shall include a description of—

(A) barriers to the exercise of the authorities that have been encountered;

(B) the proposed solutions for overcoming the barriers; and

(C) the progress made in overcoming the barriers.

(2) Not later than September 1, 2003, the Secretary of Defense shall submit to Congress a report on the implementation of the pilot program under subsection (a) and the fiscal years 1999 and 2000 revitalization pilot programs. The report shall include, for each such pilot program, the following:

(A) Each laboratory selected for the pilot program.

(B) To the extent practicable, a description of the innovative methods that are to be tested at each laboratory.

(C) The criteria to be used for measuring the success of each method to be tested.

(3) Not later than 90 days after the expiration of the period for the participation of a laboratory in a pilot program referred to in paragraph (2), the Secretary of Defense shall submit to Congress a final report on the participation of that laboratory in the pilot program. The report shall include the following:

(A) A description of the methods tested.

(B) The results of the testing.

(C) The lessons learned.

(D) Any proposal for legislation that the Secretary recommends on the basis of the experience at that laboratory under the pilot program.

(d) EXTENSION OF AUTHORITY FOR OTHER REVITALIZATION PILOT PROGRAMS.—(1) Section 246(a)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1956; 10 U.S.C. 2358 note) is amended by striking ''a period of three years'' and inserting ''up to six years''.

(2) Section 245(a)(4) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 553; 10 U.S.C. 2358 note) is amended by striking ''a period of three years'' and inserting ''up to five years''.

(e) PARTNERSHIPS UNDER PILOT PROGRAM.—(1) The Secretary of Defense may authorize one or more laboratories and test centers participating in the pilot program under subsection (a) or in one of the fiscal years 1999 and 2000 revitalization pilot programs to enter into a cooperative arrangement (in this subsection referred to as a ''public-private partnership'') with entities in the private sector and institutions of higher education for the performance of work.

(2) A competitive process shall be used for the selection of entities outside the Government to participate in a public-private partnership.

(3)(A) Not more than one public-private partnership may be established as a limited liability corporation.

(B) An entity participating in a limited liability corporation as a party to a public-private partnership under the pilot program may contribute funds to the corporation, accept contribution of funds for the corporation, and provide materials, services, and use of facilities for research, technology, and infrastructure of the corporation, if it is determined under regulations prescribed by the Secretary of Defense that doing so will improve the efficiency of the performance of research, test, and evaluation functions of the Department of Defense.

(f) EXCEPTED SERVICE UNDER PILOT PROGRAM.—(1) To facilitate recruitment of experts in science and engineering to improve the performance of research, test, and evaluation functions of the Department of Defense, the Secretary of Defense may—

(A) designate a total of not more than 30 scientific, engineering, and technology positions at the laboratories and test centers participating in the pilot program under subsection (a) or in any of the fiscal years 1999 and 2000 revitalization pilot programs as positions in the excepted service (as defined in section 2103(a) of title 5, United States Code);

(B) appoint individuals to such positions; and

(C) fix the compensation of such individuals.

(2) The maximum rate of basic pay for a position in the excepted service pursuant to a designation made under paragraph (1) may not exceed the maximum rate of basic pay authorized for senior-level positions under section 5376 of title 5, United States Code, notwithstanding any provision of such title governing the rates of pay or classification of employees in the executive branch.

(g) FISCAL YEARS 1999 AND 2000 REVITALIZATION PILOT PROGRAMS DEFINED.—In this section, the term ''fiscal years 1999 and 2000 revitalization pilot programs'' means the pilot programs authorized by—

(1) section 246 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1955; 10 U.S.C. 2358 note); and

(2) section 245 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 552; 10 U.S.C. 2358 note).

SEC. 242. TECHNOLOGY TRANSITION INITIATIVE.

(a) ESTABLISHMENT AND CONDUCT.—(1) Chapter 139 of title 10, United States Code, is amended by inserting after section 2359 the following new section:

''§ 2359a. Technology Transition Initiative

''(a) REQUIREMENT FOR PROGRAM.—The Secretary of Defense shall carry out a Technology Transition Initiative to facilitate the rapid transition of new technologies from science and technology programs of the Department of Defense into acquisition programs for the production of the technologies.

''(b) OBJECTIVES.—The objectives of the Initiative are as follows:

''(1) To accelerate the introduction of new technologies into Department of Defense acquisition programs appropriate for the technologies.

''(2) To successfully demonstrate new technologies in relevant environments.

''(3) To ensure that new technologies are sufficiently mature for production.

''(c) MANAGEMENT.—(1) The Secretary of Defense shall designate a senior official in the Office of the Secretary of Defense to manage the Initiative.

''(2) In administering the Initiative, the Initiative Manager shall—

''(A) report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics; and

''(B) obtain advice and other assistance from the Technology Transition Council established under subsection (e).

''(3) The Initiative Manager shall—

''(A) in consultation with the Technology Transition Council established under subsection (e), identify promising technologies that have been demonstrated in science and technology programs of the Department of Defense;

''(B) develop a list of those technologies that have promising potential for transition into acquisition programs of the Department of Defense and transmit the list to the acquisition executive of each military department and to Congress;

''(C) identify potential sponsors in the Department of Defense to undertake the transition of such technologies into production;

''(D) work with the science and technology community and the acquisition community to develop memoranda of agreement, joint funding agreements, and other cooperative arrangements to provide for the transition of the technologies into production; and

''(E) provide funding support for selected projects under subsection (d).

''(d) JOINTLY FUNDED PROJECTS.—(1) The acquisition executive of each military department shall select technology projects of the military department to recommend for funding support under the Initiative and shall submit a list of the recommended projects, ranked in order of priority, to the Initiative Manager. The projects shall be selected, in a competitive process, on the basis of the highest potential benefits in areas of interest identified by the Secretary of that military department.

''(2) The Initiative Manager, in consultation with the Technology Transition Council established under subsection (e), shall select projects for funding support from among the projects on the lists submitted under paragraph (1). The Initiative Manager shall provide funds for each selected project. The total amount provided for a project shall be determined by agreement between the Initiative Manager and the acquisition executive of the military department concerned, but shall not be less than the amount equal to 50 percent of the total cost of the project.

''(3) The Initiative Manager shall not fund any one project under this subsection for more than 3 years.

''(4) The acquisition executive of the military department shall manage each project selected under paragraph (2) that is undertaken by the military department. Memoranda of agreement, joint funding agreements, and other cooperative arrangements between the science and technology community and the acquisition community shall be used in carrying out the project if the acquisition executive determines that it is appropriate to do so to achieve the objectives of the project.

''(e) TECHNOLOGY TRANSITION COUNCIL.—(1) There is a Technology Transition Council in the Department of Defense. The Council is composed of the following members:

''(A) The science and technology executives of the military departments and Defense Agencies.

''(B) The acquisition executives of the military departments.

''(C) The members of the Joint Requirements Oversight Council.

''(2) The Technology Transition Council shall provide advice and assistance to the Initiative Manager under this section.

''(f) DEFINITIONS.—In this section:

''(1) The term 'acquisition executive', with respect to a military department, means the official designated as the senior procurement executive for that military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

''(2) The term 'Initiative' means the Technology Transition Initiative carried out under this section.

''(3) The term 'Initiative Manager' means the official designated to manage the Initiative under subsection (c).''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2395 the following new item:

''2359a. Technology Transition Initiative.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Of the amount authorized to be appropriated under section 201(4), $50,000,000 shall be available for the Technology Transition Initiative under section 2359a of title 10, United States Code (as added by subsection (a)), and for other technology transition activities of the Department of Defense.

SEC. 243. ENCOURAGEMENT OF SMALL BUSINESSES AND NONTRADITIONAL DEFENSE CONTRACTORS TO SUBMIT PROPOSALS POTENTIALLY BENEFICIAL FOR COMBATING TERRORISM.

(a) ESTABLISHMENT OF OUTREACH PROGRAM.—During the 3-year period beginning on the date of the enactment of this Act, the Secretary of Defense shall carry out a program of outreach to small businesses and nontraditional defense contractors for the purpose set forth in subsection (b).

(b) PURPOSE.—The purpose of the outreach program is to provide a process for reviewing and evaluating research activities of, and new technologies being developed by, small businesses and nontraditional defense contractors that have the potential for meeting a defense requirement or technology development goal of the Department of Defense that relates to the mission of the Department of Defense to combat terrorism.

(c) GOALS.—The goals of the outreach program are as follows:

(1) To increase efforts within the Department of Defense to survey and identify technologies being developed outside the Department that have the potential described in subsection (b).

(2) To provide the Under Secretary of Defense for Acquisition, Technology, and Logistics with a source of expert advice on new technologies for combating terrorism.

(3) To increase efforts to educate nontraditional defense contractors on Department of Defense acquisition processes, including regulations, procedures, funding opportunities, military needs and requirements, and technology transfer so as to encourage such contractors to submit proposals regarding research activities and technologies described in subsection (b).

(4) To increase efforts to provide timely response by the Department of Defense to acquisition proposals (including unsolicited proposals) submitted to the Department by small businesses and by nontraditional defense contractors regarding research activities and technologies described in subsection (b), including through the use of electronic transactions to facilitate the processing of proposals.

(d) REVIEW PANEL.—(1) The Secretary shall appoint, under the outreach program, a panel for the review and evaluation of proposals described in subsection (c)(4).

(2) The panel shall be composed of qualified personnel from the military departments, relevant Defense Agencies, industry, academia, and other private sector organizations.

(3) The panel shall review and evaluate proposals that, as determined by the panel, may present a unique and valuable approach for meeting a defense requirement or technology development goal related to combating terrorism. In carrying out duties under this paragraph, the panel may act through representatives designated by the panel.

(4) The panel shall—

(A) within 60 days after receiving such a proposal, transmit to the source of the proposal a notification regarding whether the proposal has been selected for review by the panel;

(B) to the maximum extent practicable, complete the review of each selected proposal within 120 days after the proposal is selected for review by the panel; and

(C) after completing the review, transmit an evaluation of the proposal to the source of the proposal.

(5) The Secretary shall ensure that the panel, in reviewing and evaluating proposals under this subsection, has the authority to obtain assistance, to a reasonable extent, from the appropriate technical resources of the laboratories, research, development, and engineering centers, test and evaluation activities, and other elements of the Department of Defense.

(6) If, after completing the review of a proposal, the panel determines that the proposal represents a unique and valuable approach to meeting a defense requirement or technology development goal related to combating terrorism, the panel shall submit that determination to the Under Secretary of Defense for Acquisition, Technology, and Logistics together with any recommendations that the panel considers appropriate regarding the proposal.

(7) The Secretary of Defense shall ensure that there is no conflict of interest on the part of a member of the panel with respect to the review and evaluation of a proposal by the panel.

(e) DEFINITIONS.—In this section:

(1) The term ''nontraditional defense contractor'' means an entity that has not, for at least one year prior to the date of the enactment of this Act, entered into, or performed with respect to, any contract described in paragraph (1) or (2) of section 845(e) of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note).

(2) The term ''small business'' means a business concern that meets the applicable size standards prescribed pursuant to section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

SEC. 244. VEHICLE FUEL CELL PROGRAM.

(a) PROGRAM.—The Secretary of Defense shall carry out a vehicle fuel cell technology development program in cooperation with the Secretary of Energy, the heads of other Federal agencies appropriate for participation in the program, and industry.

(b) GOALS AND OBJECTIVES.—The goals and objectives of the program shall be as follows:

(1) To identify and support technological advances that are necessary for the development of fuel cell technology for use in vehicles of types to be used by the Department of Defense.

(2) To ensure that critical technology advances are shared among the various fuel cell technology programs within the Federal Government.

(3) To ensure maximum leverage of Federal Government funding for fuel cell technology development.

(c) CONTENT OF PROGRAM.—The program shall include—

(1) development of vehicle propulsion technologies and fuel cell auxiliary power units, together with pilot demonstrations of such technologies, as appropriate; and

(2) development of technologies necessary to address critical issues such as hydrogen storage and the need for a hydrogen fuel infrastructure.

(d) COOPERATION WITH INDUSTRY.—(1) The Secretary shall include the automobile and truck manufacturing industry and its systems and component suppliers in the cooperative involvement of industry in the program.

(2) The Secretary of Defense shall consider whether, in order to facilitate the cooperation of industry in the program, the Secretary and one or more companies in industry should enter into a cooperative agreement that establishes an entity to carry out activities required under subsection (c). An entity established by any such agreement shall be known as a defense industry fuel cell partnership.

(3) The Secretary of Defense shall provide for industry to bear, in cash or in kind, at least one-half of the total cost of carrying out the program.

(e) AMOUNT FOR PROGRAM.—Of the amount authorized to be appropriated by section 201(4), $10,000,000 shall be available for the program required by this section.

SEC. 245. DEFENSE NANOTECHNOLOGY RESEARCH AND DEVELOPMENT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Defense shall carry out a defense nanotechnology research and development program.

(b) PURPOSES.—The purposes of the program are as follows:

(1) To ensure United States global superiority in nanotechnology necessary for meeting national security requirements.

(2) To coordinate all nanoscale research and development within the Department of Defense, and to provide for interagency cooperation and collaboration on nanoscale research and development between the Department of Defense and other departments and agencies of the United States that are involved in nanoscale research and development.

(3) To develop and manage a portfolio of fundamental and applied nanoscience and engineering research initiatives that is stable, consistent, and balanced across scientific disciplines.

(4) To accelerate the transition and deployment of technologies and concepts derived from nanoscale research and development into the Armed Forces, and to establish policies, procedures, and standards for measuring the success of such efforts.

(5) To collect, synthesize, and disseminate critical information on nanoscale research and development.

(c) ADMINISTRATION.—In carrying out the program, the Secretary shall act through the Director of Defense Research and Engineering, who shall supervise the planning, management, and coordination of the program. The Director, in consultation with the Secretaries of the military departments and the heads of participating Defense Agencies and other departments and agencies of the United States, shall—

(1) prescribe a set of long-term challenges and a set of specific technical goals for the program;

(2) develop a coordinated and integrated research and investment plan for meeting the long-term challenges and achieving the specific technical goals; and

(3) develop memoranda of agreement, joint funding agreements, and other cooperative arrangements necessary for meeting the long-term challenges and achieving the specific technical goals.

(d) ANNUAL REPORT.—Not later than March 1 of each of 2004, 2005, 2006, and 2007, the Director of Defense Research and Engineering shall submit to the congressional defense committees a report on the program. The report shall contain the following matters:

(1) A review of—

(A) the long-term challenges and specific goals of the program; and

(B) the progress made toward meeting the challenges and achieving the goals.

(2) An assessment of current and proposed funding levels, including the adequacy of such funding levels to support program activities.

(3) A review of the coordination of activities within the Department of Defense and with other departments and agencies.

(4) An assessment of the extent to which effective technology transition paths have been established as a result of activities under the program.

(5) Recommendations for additional program activities to meet emerging national security requirements.

SEC. 246. ACTIVITIES AND ASSESSMENT OF THE DEFENSE EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH.

(a) AUTHORIZED ACTIVITIES.—Subsection (c) of section 257 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 10 U.S.C. 2358 note), is amended—

(1) in paragraph (1), by striking ''research grants'' and inserting ''grants for research and instrumentation to support such research''; and

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

''(3) Any other activities that are determined necessary to further the achievement of the objectives of the program.''.

(b) COORDINATION.—Subsection (e) of such section is amended by adding at the end the following:

''(4) The Secretary shall contract with the National Research Council to assess the effectiveness of the Defense Experimental Program to Stimulate Competitive Research in achieving the program objectives set forth in subsection (b). The assessment provided to the Secretary shall include the following:

''(A) An assessment of the eligibility requirements of the program and the relationship of such requirements to the overall research base in the States, the stability of research initiatives in the States, and the achievement of the program objectives, together with any recommendations for modification of the eligibility requirements.

''(B) An assessment of the program structure and the effects of that structure on the development of a variety of research activities in the States and the personnel available to carry out such activities, together with any recommendations for modification of program structure, funding levels, and funding strategy.

''(C) An assessment of the past and ongoing activities of the State planning committees in supporting the achievement of the program objectives.

''(D) An assessment of the effects of the various eligibility requirements of the various Federal programs to stimulate competitive research on the ability of States to develop niche research areas of expertise, exploit opportunities for developing interdisciplinary research initiatives, and achieve program objectives.''.

SEC. 247. FOUR-YEAR EXTENSION OF AUTHORITY OF DARPA TO AWARD PRIZES FOR ADVANCED TECHNOLOGY ACHIEVEMENTS.

(a) EXTENSION.—Section 2374a(f) of title 10, United States Code, is amended by striking ''September 30, 2003'' and inserting ''September 30, 2007''.

(b) REPORT ON ADMINISTRATION OF PROGRAM.—(1) Not later than December 31, 2002, the Director of the Defense Advanced Research Projects Agency shall submit to the congressional defense committees a report on the proposal of the Director for the administration of the program to award prizes for advanced technology achievements under section 2374a of title 10, United States Code.

(2) The report shall include the following:

(A) A description of the proposed goals of the competition under the program, including the technology areas to be promoted by the competition and the relationship of such area to military missions of the Department of Defense.

(B) The proposed rules of the competition under the program and a description of the proposed management of the competition.

(C) A description of the manner in which funds for cash prizes under the program will be allocated within the accounts of the Agency if a prize is awarded and claimed.

(D) A statement of the reasons why the competition is a preferable means of promoting basic, advanced, and applied research, technology development, or prototype projects than other means of promotion of such activities, including contracts, grants, cooperative agreements, and other transactions.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces and other activities and agencies of the

Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,180,742,000.

(2) For the Navy, $29,368,961,000.

(3) For the Marine Corps, $3,558,732,000.

(4) For the Air Force, $27,445,764,000.

(5) For Defense-wide activities, $14,492,266,000.

(6) For the Army Reserve, $1,962,610,000.

(7) For the Naval Reserve, $1,233,759,000.

(8) For the Marine Corps Reserve, $190,532,000.

(9) For the Air Force Reserve, $2,165,004,000.

(10) For the Army National Guard, $4,506,267,000.

(11) For the Air National Guard, $4,114,910,000.

(12) For the Defense Inspector General, $155,165,000.

(13) For the United States Court of Appeals for the Armed Forces, $9,614,000.

(14) For Environmental Restoration, Army, $395,900,000.

(15) For Environmental Restoration, Navy, $256,948,000.

(16) For Environmental Restoration, Air Force, $389,773,000.

(17) For Environmental Restoration, Defense-wide, $23,498,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $252,102,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $58,400,000.

(20) For Drug Interdiction and Counter-drug Activities, Defense-wide, $873,907,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $25,000,000.

(22) For Defense Health Program, $14,202,441,000.

(23) For Cooperative Threat Reduction programs, $416,700,000.

(24) For Overseas Contingency Operations Transfer Fund, $50,000,000.

(25) For Support for International Sporting Competitions, Defense, $19,000,000.

(b) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to subsection (a) is reduced by—

(1) $159,790,000, which represents savings resulting from reduced travel; and

(2) $615,200,000, which represents savings resulting from foreign currency fluctuations.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $387,156,000.

(2) For the National Defense Sealift Fund, $934,129,000.

(3) For the Defense Commissary Agency Working Capital Fund, $969,200,000.

(4) For the Pentagon Reservation Maintenance Revolving Fund, $328,000,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2003 from the Armed Forces Retirement Home Trust Fund the sum of $69,921,000 for the operation of the Armed Forces Retirement Home, including the Armed Forces Retirement Home—Washington and the Armed Forces Retirement Home—Gulfport.

SEC. 304. RANGE ENHANCEMENT INITIATIVE FUND.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized to be appropriated by section 301(a)(5) for operation and maintenance for defense-wide activities, $20,000,000 shall be available for the Range Enhancement Initiative Fund for the purpose specified in subsection (b).

(b) PURPOSE.—Subject to subsection (c), amounts authorized to be appropriated for the Range Enhancement Initiative Fund shall be available to the Secretary of Defense and the Secretaries of the military departments to purchase restrictive easements, including easements that implement agreements entered into under section 2697 of title 10, United States Code, as added by section 2811 of this Act.

(c) TRANSFER OF AMOUNTS.—(1) Amounts in the Range Enhancement Initiative Fund shall, subject to applicable limitations in appropriations Acts, be made available to the Secretary of a military department under subsection (b) by transfer from the Fund to the applicable operation and maintenance account of the military department, including the operation and maintenance account for the active component, or for a reserve component, of the military department.

(2) Authority to transfer amounts under paragraph (1) is in addition to any other authority to transfer funds under this Act.

SEC. 305. NAVY PILOT HUMAN RESOURCES CALL CENTER, CUTLER, MAINE.

Of the amount authorized to be appropriated by section 301(a)(2) for operation and maintenance for the Navy, $1,500,000 may be available for the Navy Pilot Human Resources Call Center, Cutler, Maine.

SEC. 306. NATIONAL ARMY MUSEUM, FORT BELVOIR, VIRGINIA.

(a) ACTIVATION EFFORTS.—The Secretary of the Army may carry out efforts to facilitate the commencement of development for the National Army Museum at Fort Belvoir, Virginia.

(b) FUNDING.—(1) The amount authorized to be appropriated by section 301(a)(1) for operation and maintenance for the Army is hereby increased by $100,000.

(2) Of the amount authorized to be appropriated by section 301(a)(1) for operation and maintenance for the Army, as increased by paragraph (1), $100,000 shall be available to carry out the efforts authorized by subsection (a).

(c) OFFSET.—The amount authorized to be appropriated by section 201(1) for research, development, test, and evaluation for the Army is hereby reduced by $100,000.

SEC. 307. DISPOSAL OF OBSOLETE VESSELS OF THE NATIONAL DEFENSE RESERVE FLEET.

Of the amount authorized to be appropriated by section 301(a)(2) for operation and maintenance for the Navy, $20,000,000 may be available, without fiscal year limitation if so provided in appropriations Acts, for expenses related to the disposal of obsolete vessels in the Maritime Administration National Defense Reserve Fleet.

Subtitle B—Environmental Provisions

SEC. 311. ENHANCEMENT OF AUTHORITY ON COOPERATIVE AGREEMENTS FOR ENVIRONMENTAL PURPOSES.

Section 2701(d) of title 10, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2) CROSS-FISCAL YEAR AGREEMENTS.—An agreement with an agency under paragraph (1) may be for a period that begins in one fiscal year and ends in another fiscal year if (without regard to any option to extend the period of the agreement) the period of the agreement does not exceed two years.''.

SEC. 312. MODIFICATION OF AUTHORITY TO CARRY OUT CONSTRUCTION PROJECTS FOR ENVIRONMENTAL RESPONSES.

(a) RESTATEMENT AND MODIFICATION OF AUTHORITY.—(1) Chapter 160 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2711. Environmental restoration projects for environmental responses

''(a) The Secretary of Defense or the Secretary of a military department may carry out an environmental restoration project if that Secretary determines that the project is necessary to carry out a response under this chapter or CERCLA.

''(b) Any construction, development, conversion, or extension of a structure or installation of equipment that is included in an environmental restoration project may not be considered military construction (as that term is defined in section 2801(a) of this title).

''(c) Funds authorized for deposit in an account established by section 2703(a) of this title shall be the only source of funds to conduct an environmental restoration project under this section.

''(d) In this section, the term 'environmental restoration project' includes construction, development, conversion, or extension of a structure or installation of equipment in direct support of a response.''.

(2) The table of sections at the beginning of that chapter is amended by adding at the end the following new item:

''2711. Environmental restoration projects for environmental responses.''.

(b) REPEAL OF SUPERSEDED PROVISION.—(1) Section 2810 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 169 of that title is amended by striking the item relating to section 2810.

SEC. 313. INCREASED PROCUREMENT OF ENVIRONMENTALLY PREFERABLE PRODUCTS.

(a) PROCUREMENT GOALS.—(1) The Secretary of Defense shall establish goals for the increased procurement by the Department of Defense of procurement items that are environmentally preferable or are made with recovered materials.

(2) The goals established under paragraph (1) shall be consistent with the requirements of section 6002 of the Solid Waste Disposal Act (42 U.S.C. 6962).

(3) In establishing goals under paragraph (1), the Secretary shall review the Comprehensive Procurement Guidelines and Guidance on Acquisition of Environmentally Preferable Products and Services developed pursuant to Executive Order 13101 and products identified as environmentally preferable in the Federal Logistics Information System.

(4) In establishing goals under paragraph (1), the Secretary shall establish a procurement goal for each category of procurement items that is environmentally preferable or is made with recovered materials.

(5) The goals established under paragraph (1) shall apply to Department purchases in each category of procurement items designated by the Secretary for purposes of paragraph (4), but shall not apply to—

(A) products or services purchased by Department contractors and subcontractors, even if such products or services are incorporated into procurement items purchased by the Department; or

(B) credit card purchases or other local purchases that are made outside the requisitioning process of the Department.

(b) ASSESSMENT OF TRAINING AND EDUCATION.—The Secretary shall assess the need to establish a program, or enhance existing programs, for training and educating Department of Defense procurement officials and contractors to ensure that they are aware of Department requirements, preferences, and goals for the procurement of items that are environmentally preferable or are made with recovered materials.

(c) TRACKING SYSTEM.—The Secretary shall develop a tracking system to identify the extent to which the Department of Defense is procuring items that are environmentally preferable or are made with recovered materials. The tracking system shall separately track procurement of each category of procurement items for which a goal has been established under subsection (a)(4).

(d) INITIAL REPORT.—Not later than 120 days after the date of the enactment of this Act, the

Secretary shall submit to the congressional defense committees a report that sets forth—

(1) the initial goals the Secretary plans to establish under subsection (a); and

(2) the findings of the Secretary as a result of the assessment under subsection (b), together with any recommendations of the Secretary as a result of the assessment.

(e) IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall—

(1) establish an initial set of goals in accordance subsection (a);

(2) begin the implementation of any recommendations of the Secretary under subsection (d)(2) as a result of the assessment under subsection (b); and

(3) implement the tracking system required by subsection (c).

(f) ANNUAL REPORT.—Not later than March 1 of each year from 2004 through 2007, the Secretary shall submit to Congress a report on the progress made in the implementation of this section. Each report shall—

(1) identify each category of procurement items for which a goal has been established under subsection (a) as of the end of such year; and

(2) provide information from the tracking system required by subsection (b) that indicates the extent to which the Department has met the goal for the category of procurement items as of the end of such year.

(g) DEFINITIONS.—In this section:

(1) ENVIRONMENTALLY PREFERABLE.—The term ''environmentally preferable'', in the case of a procurement item, means that the item has a lesser or reduced effect on human health and the environment when compared with competing procurement items that serve the same purpose. The comparison may be based upon consideration of raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the procurement item, or other appropriate matters.

(2) PROCUREMENT ITEM.—The term ''procurement item'' has the meaning given that term in section 1004(16) of the Solid Waste Disposal Act (40 U.S.C. 6903(16)).

(3) RECOVERED MATERIALS.—The term ''recovered materials'' means waste materials and by-products that have been recovered or diverted from solid waste, but does not include materials and by-products generated from, and commonly used within, an original manufacturing process.

SEC. 314. CLEANUP OF UNEXPLODED ORDNANCE ON KAHO'OLAWE ISLAND, HAWAII.

(a) LEVEL OF CLEANUP REQUIRED.—The Secretary of the Navy shall continue activities for the clearance and removal of unexploded ordnance on the Island of Kaho'olawe, Hawaii, and related remediation activities, until the later of the following dates:

(1) The date on which the Kaho'olawe Island access control period expires.

(2) The date on which the Secretary achieves each of the following objectives:

(A) The inspection and assessment of all of Kaho'olawe Island in accordance with current procedures.

(B) The clearance of 75 percent of Kaho'olawe Island to the degree specified in the Tier One standards in the memorandum of understanding.

(C) The clearance of 25 percent of Kaho'olawe Island to the degree specified in the Tier Two standards in the memorandum of understanding.

(b) DEFINITIONS.—In this section:

(1) The term ''Kaho'olawe Island access control period'' means the period for which the Secretary of the Navy is authorized to retain the control of access to the Island of Kaho'olawe, Hawaii, under title X of the Department of Defense Appropriations Act, 1994 (Public Law 103–139; 107 Stat. 1480).

(2) The term ''memorandum of understanding'' means the Memorandum of Understanding Between the United States Department of the Navy and the State of Hawaii Concerning the Island of Kaho'olawe, Hawaii.

Subtitle C—Defense Dependents' Education

SEC. 331. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2003.—Of the amount authorized to be appropriated pursuant to section 301(a)(5) for operation and maintenance for Defense-wide activities, $30,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2003, the Secretary of Defense shall notify each local educational agency that is eligible for assistance or a payment under subsection (a) for fiscal year 2003 of—

(1) that agency's eligibility for the assistance or payment; and

(2) the amount of the assistance or payment for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term ''educational agencies assistance'' means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 332. IMPACT AID FOR CHILDREN WITH SEVERE DISABILITIES.

Of the amount authorized to be appropriated pursuant to section 301(a)(5) for operation and maintenance for Defense-wide activities, $5,000,000 shall be available for payments under section 363 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–77; 20 U.S.C. 7703a).

SEC. 333. OPTIONS FOR FUNDING DEPENDENT SUMMER SCHOOL PROGRAMS.

Section 1402(d)(2) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(d)(2)) is amended to read as follows:

''(2) The Secretary shall provide any summer school program under this subsection on the same financial basis as programs offered during the regular school year, except that the Secretary may charge reasonable fees for all or portions of such summer school programs to the extent that the Secretary determines appropriate.''.

SEC. 334. COMPTROLLER GENERAL STUDY OF ADEQUACY OF COMPENSATION PROVIDED FOR TEACHERS IN THE DEPARTMENT OF DEFENSE OVERSEAS DEPENDENTS' SCHOOLS.

(a) ADDITIONAL CONSIDERATION FOR STUDY.—Subsection (b) of section 354 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1064) is amended by inserting after paragraph (2) the following new paragraph:

''(3) Whether the process for setting teacher compensation is efficient and cost effective.''.

(b) EXTENSION OF TIME FOR REPORTING.—Subsection (c) of such section is amended by striking ''May 1, 2002'' and inserting ''December 12, 2002''.

Subtitle D—Other Matters

SEC. 341. USE OF HUMANITARIAN AND CIVIC ASSISTANCE FUNDS FOR RESERVE COMPONENT MEMBERS OF SPECIAL OPERATIONS COMMAND ENGAGED IN ACTIVITIES RELATING TO CLEARANCE OF LANDMINES.

Section 401(c) of title 10, United States Code, is amended by adding at the end the following new paragraph (5):

''(5) Up to 10 percent of the amount available for a fiscal year for activities described in subsection (e)(5) may be expended for the pay and allowances of reserve component members of the Special Operations Command performing duty in connection with training and activities related to the clearing of landmines for humanitarian purposes.''.

SEC. 342. CALCULATION OF FIVE-YEAR PERIOD OF LIMITATION FOR NAVY-MARINE CORPS INTRANET CONTRACT.

(a) COMMENCEMENT OF PERIOD.—The five-year period of limitation that is applicable to the multiyear Navy-Marine Corps Intranet contract under section 2306c of title 10, United States Code, shall be deemed to have begun on the date on which the Under Secretary of Defense for Acquisition, Technology, and Logistics and the Chief Information Officer of the Department of Defense approved the ordering of additional workstations under such contract in accordance with subsection (c) of section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as added by section 362(a) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1065).

(b) DEFINITION.—In this section, the term ''Navy-Marine Corps Intranet contract'' has the meaning given such term in section 814(i)(1) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as amended by section 362(c) of Public Law 107–107 (115 Stat. 1067)).

SEC. 343. REIMBURSEMENT FOR RESERVE COMPONENT INTELLIGENCE SUPPORT.

(a) SOURCE OF FUNDS.—Chapter 1003 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 10115. Reimbursement for reserve component intelligence support

''(a) AUTHORITY.—Funds appropriated or otherwise made available to a military department, Defense Agency, or combatant command for operation and maintenance shall be available for the pay, allowances, and other costs that would be charged to appropriations for a reserve component for the performance of duties by members of that reserve component in providing intelligence or counterintelligence support to—

''(1) such military department, Defense Agency, or combatant command; or

''(2) a joint intelligence activity, including any such activity for which funds are authorized to be appropriated within the National Foreign Intelligence Program, the Joint Military Intelligence Program, or the Tactical Intelligence and Related Activities aggregate (or any successor to such program or aggregate).

''(b) CONSTRUCTION OF PROVISION.—Nothing in this section shall be construed to authorize deviation from established reserve component personnel or training procedures.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''10115. Reimbursement for reserve component intelligence support.''.

SEC. 344. REBATE AGREEMENTS UNDER THE SPECIAL SUPPLEMENTAL FOOD PROGRAM.

(a) APPLICABILITY TO NAVY EXCHANGE MARKETS.—Paragraph (1)(A) of section 1060a(e) of title 10, United States Code, is amended by inserting ''or Navy Exchange Markets'' after ''commissary stores''.

(b) INCREASED MAXIMUM PERIOD OF AGREEMENT.—Paragraph (3) of such section 1060a(e) is

amended by striking ''subsection may not exceed one year'' in the first sentence and inserting ''subsection, including any period of extension of the contract by modification of the contract, exercise of an option, or other cause, may not exceed three years''.

SEC. 345. LOGISTICS SUPPORT AND SERVICES FOR WEAPON SYSTEMS CONTRACTORS.

(a) AUTHORITY.—The Secretary of Defense may make available, in accordance with this section and the regulations prescribed under subsection (e), logistics support and logistics services to a contractor in support of the performance by the contractor of a contract for the construction, modification, or maintenance of a weapon system that is entered into by an official of the Department of Defense.

(b) SUPPORT CONTRACTS.—Any logistics support and logistics services that is to be provided under this section to a contractor in support of the performance of a contract shall be provided under a separate contract that is entered into by the Director of the Defense Logistics Agency with that contractor.

(c) SCOPE OF SUPPORT AND SERVICES.—The logistics support and logistics services that may be provided under this section in support of the performance of a contract described in subsection (a) are the distribution, disposal, and cataloging of materiel and repair parts necessary for the performance of that contract.

(d) LIMITATIONS.—(1) The number of contracts described in subsection (a) for which the Secretary makes logistics support and logistics services available under the authority of this section may not exceed five contracts. The total amount of the estimated costs of all such contracts for which logistics support and logistics services are made available under this section may not exceed $100,000,000.

(2) No contract entered into by the Director of the Defense Logistics Agency under subsection (b) may be for a period in excess of five years, including periods for which the contract is extended under options to extend the contract.

(e) REGULATIONS.—Before exercising the authority under this section, the Secretary of Defense shall prescribe in regulations such requirements, conditions, and restrictions as the Secretary determines appropriate to ensure that logistics support and logistics services are provided under this section only when it is in the best interests of the United States to do so. The regulations shall include, at a minimum, the following:

(1) A requirement for the authority under this section to be used only for providing logistics support and logistics services in support of the performance of a contract that is entered into using competitive procedures (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)).

(2) A requirement for the solicitation of offers for a contract described in subsection (a), for which logistics support and logistics services are to be made available under this section, to include—

(A) a statement that the logistics support and logistics services are to be made available under the authority of this section to any contractor awarded the contract, but only on a basis that does not require acceptance of the support and services; and

(B) a description of the range of the logistics support and logistics services that are to be made available to the contractor.

(3) A requirement for the rates charged a contractor for logistics support and logistics services provided to a contractor under this section to reflect the full cost to the United States of the resources used in providing the support and services, including the costs of resources used, but not paid for, by the Department of Defense.

(4) A requirement to credit to the General Fund of the Treasury amounts received by the Department of Defense from a contractor for the cost of logistics support and logistics services provided to the contractor by the Department of Defense under this section but not paid for out of funds available to the Department of Defense.

(5) With respect to a contract described in subsection (a) that is being performed for a department or agency outside the Department of Defense, a prohibition, in accordance with applicable contracting procedures, on the imposition of any charge on that department or agency for any effort of Department of Defense personnel or the contractor to correct deficiencies in the performance of such contract.

(6) A prohibition on the imposition of any charge on a contractor for any effort of the contractor to correct a deficiency in the performance of logistics support and logistics services provided to the contractor under this section.

(f) RELATIONSHIP TO TREATY OBLIGATIONS.—The Secretary shall ensure that the exercise of authority under this section does not conflict with any obligation of the United States under any treaty or other international agreement.

(g) TERMINATION OF AUTHORITY.—(1) The authority provided in this section shall expire on September 30, 2007, subject to paragraph (2).

(2) The expiration of the authority under this section does not terminate—

(A) any contract that was entered into by the Director of the Defense Logistics Agency under subsection (b) before the expiration of the authority or any obligation to provide logistics support and logistics services under that contract; or

(B) any authority—

(i) to enter into a contract described in subsection (a) for which a solicitation of offers was issued in accordance with the regulations prescribed pursuant to subsection (e)(2) before the date of the expiration of the authority; or

(ii) to provide logistics support and logistics services to the contractor with respect to that contract in accordance with this section.

SEC. 346. CONTINUATION OF ARSENAL SUPPORT PROGRAM INITIATIVE.

(a) EXTENSION THROUGH FISCAL YEAR 2004.—Subsection (a) of section 343 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–65) is amended by striking ''and 2002'' and inserting ''through 2004''.

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking ''2002'' and inserting ''2004''; and

(2) in paragraph (2), by striking the first sentence and inserting the following new sentence: ''Not later than July 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report on the results of the demonstration program since its implementation, including the Secretary's views regarding the benefits of the program for Army manufacturing arsenals and the Department of the Army and the success of the program in achieving the purposes specified in subsection (b).''.

SEC. 347. TWO-YEAR EXTENSION OF AUTHORITY OF THE SECRETARY OF DEFENSE TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES ABROAD.

Section 431(a) of title 10, United States Code, is amended by striking ''December 31, 2002'' in the second sentence and inserting ''December 31, 2004''.

SEC. 348. INSTALLATION AND CONNECTION POLICY AND PROCEDURES REGARDING DEFENSE SWITCH NETWORK.

(a) ESTABLISHMENT OF POLICY AND PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall establish clear and uniform policy and procedures, applicable to the military departments and Defense Agencies, regarding the installation and connection of telecom switches to the Defense Switch Network.

(b) ELEMENTS OF POLICY AND PROCEDURES.—The policy and procedures shall address at a minimum the following:

(1) Clear interoperability and compatibility requirements for procuring, certifying, installing, and connecting telecom switches to the Defense Switch Network.

(2) Current, complete, and enforceable testing, validation, and certification procedures needed to ensure the interoperability and compatibility requirements are satisfied.

(c) EXCEPTIONS.—(1) The Secretary of Defense may specify certain circumstances in which—

(A) the requirements for testing, validation, and certification of telecom switches may be waived; or

(B) interim authority for the installation and connection of telecom switches to the Defense Switch Network may be granted.

(2) Only the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, after consultation with the Chairman of the Joint Chiefs of Staff, may approve a waiver or grant of interim authority under paragraph (1).

(d) INVENTORY OF DEFENSE SWITCH NETWORK.—The Secretary of Defense shall prepare and maintain an inventory of all telecom switches that, as of the date on which the Secretary issues the policy and procedures—

(1) are installed or connected to the Defense Switch Network; but

(2) have not been tested, validated, and certified by the Defense Information Systems Agency (Joint Interoperability Test Center).

(e) INTEROPERABILITY RISKS.—(1) The Secretary of Defense shall, on an ongoing basis—

(A) identify and assess the interoperability risks that are associated with the installation or connection of uncertified switches to the Defense Switch Network and the maintenance of such switches on the Defense Switch Network; and

(B) develop and implement a plan to eliminate or mitigate such risks as identified.

(2) The Secretary shall initiate action under paragraph (1) upon completing the initial inventory of telecom switches required by subsection (d).

(f) TELECOM SWITCH DEFINED.—In this section, the term ''telecom switch'' means hardware or software designed to send and receive voice, data, or video signals across a network that provides customer voice, data, or video equipment access to the Defense Switch Network or public switched telecommunications networks.

SEC. 349. ENGINEERING STUDY AND ENVIRONMENTAL ANALYSIS OF ROAD MODIFICATIONS IN VICINITY OF FORT BELVOIR, VIRGINIA.

(a) STUDY AND ANALYSIS.—(1) The Secretary of the Army shall conduct a preliminary engineering study and environmental analysis to evaluate the feasibility of establishing a connector road between Richmond Highway (United States Route 1) and Telegraph Road in order to provide an alternative to Beulah Road (State Route 613) and Woodlawn Road (State Route 618) at Fort Belvoir, Virginia, which were closed as a force protection measure.

(2) It is the sense of Congress that the study and analysis should consider as one alternative the extension of Old Mill Road between Richmond Highway and Telegraph Road.

(b) CONSULTATION.—The study required by subsection (a) shall be conducted in consultation with the Department of Transportation of the Commonwealth of Virginia and Fairfax County, Virginia.

(c) REPORT.—The Secretary shall submit to Congress a summary report on the study and analysis required by subsection (a). The summary report shall be submitted together with the budget justification materials in support of the budget of the President for fiscal year 2006 that is submitted to Congress under section 1105(a) of title 31, United States Code.

(d) FUNDING.—Of the amount authorized to be appropriated by section 301(a)(1) for the Army for operation and maintenance, $5,000,000 may be available for the study and analysis required by subsection (a).

SEC. 350. EXTENSION OF WORK SAFETY DEMONSTRATION PROGRAM.

Section 1112 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–313) is amended—

(1) in subsection (d), by striking ''September 30, 2002'' and inserting ''September 30, 2003''; and

(2) in subsection (e)(2), by striking ''December 1, 2002'' and inserting ''December 1, 2003''.

SEC. 351. LIFT SUPPORT FOR MINE WARFARE SHIPS AND OTHER VESSELS.

(a) AMOUNT.—Of the amount authorized to be appropriated by section 302(2), $10,000,000 shall be available for implementing the recommendations resulting from the Navy's Non-Self Deployable Watercraft (NDSW) Study and the Joint Chiefs of Staff Focused Logistics Study, which are to determine the requirements of the Navy for providing lift support for mine warfare ships and other vessels.

(b) OFFSETTING REDUCTION.—Of the amount authorized to be appropriated by section 302(2), the amount provided for the procurement of mine countermeasures ships cradles is hereby reduced by $10,000,000.

SEC. 352. NAVY DATA CONVERSION ACTIVITIES.

(a) AMOUNT FOR ACTIVITIES.—The amount authorized to be appropriated by section 301(a)(2) is hereby increased by $1,500,000. The total amount of such increase may be available for the Navy Data Conversion and Management Laboratory to support data conversion activities for the Navy.

(b) OFFSET.—The amount authorized to be appropriated by section 301(a)(1) is hereby reduced by $1,500,000 to reflect a reduction in the utilities privatization efforts previously planned by the Army.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2003, as follows:

(1) The Army, 485,000.

(2) The Navy, 379,200.

(3) The Marine Corps, 175,000.

(4) The Air Force, 362,500.

SEC. 402. AUTHORITY TO INCREASE STRENGTH AND GRADE LIMITATIONS TO ACCOUNT FOR RESERVE COMPONENT MEMBERS ON ACTIVE DUTY IN SUPPORT OF A CONTINGENCY OPERATION.

(a) ACTIVE DUTY STRENGTH.—Section 115(c)(1) of title 10, United States Code, is amended to read as follows:

''(1) increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for any of the armed forces by—

''(A) a number equal to not more than 2 percent of that end strength;

''(B) a number equal to the number of members of the reserve components of that armed force on active duty under section 12301(d) of this title in support of a contingency operation in that fiscal year; or

''(C) a number not greater than the sum of the numbers authorized by subparagraphs (A) and (B).''.

(b) AUTHORIZED DAILY AVERAGE FOR MEMBERS IN PAY GRADES E–8 AND E–9 ON ACTIVE DUTY.—Section 517 of such title is amended by adding at the end the following new paragraph:

''(d) The Secretary of Defense may increase the authorized daily average number of enlisted members on active duty in an armed force in pay grades E–8 and E–9 in a fiscal year under subsection (a) by the number of enlisted members of reserve components of that armed force in pay grades E–8 and E–9, respectively, that are on active duty in that fiscal year under section 12301(d) of this title in support of a contingency operation.''.

(c) AUTHORIZED STRENGTHS FOR COMMISSIONED OFFICERS IN PAY GRADES O–4, O–5, AND O–6 ON ACTIVE DUTY.—Section 523 of such title is amended—

(1) in subsection (a), by striking ''subsection (c)'' in paragraphs (1) and (2) and inserting ''subsections (c) and (e)''; and

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

''(e) The Secretary of Defense may increase the authorized total number of commissioned officers serving on active duty in the Army, Navy, Air Force, or Marine Corps in a grade referred to in subsection (c) at the end of any fiscal year under that subsection by the number of commissioned officers of reserve components of the Army, Navy, Air Force, or Marine Corps, respectively, that are then serving on active duty in that grade under section 12301(d) of this title in support of a contingency operation.''.

(d) AUTHORIZED STRENGTHS FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(a) of such title is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as subparagraphs (A), (B), (C), and (D), respectively;

(2) by striking ''LIMITATIONS.—The'' and inserting ''LIMITATIONS.—(1) Except as provided in paragraph (2), the''; and

(3) by adding at the end the following new paragraph (2):

''(2) The Secretary of Defense may increase the number of general and flag officers authorized to be on active duty in the Army, Navy, Air Force, or Marine Corps under paragraph (1) by the number of reserve general or flag officers of reserve components of the Army, Navy, Air Force, or Marine Corps, respectively, that are on active duty under section 12301(d) of this title in support of a contingency operation.''.

SEC. 403. INCREASED ALLOWANCE FOR NUMBER OF MARINE CORPS GENERAL OFFICERS ON ACTIVE DUTY IN GRADES ABOVE MAJOR GENERAL.

Section 525(b)(2)(B) of title 10, United States Code, is amended by striking ''16.2 percent'' and inserting ''17.5 percent''.

SEC. 404. INCREASE IN AUTHORIZED STRENGTHS FOR MARINE CORPS OFFICERS ON ACTIVE DUTY IN THE GRADE OF COLONEL.

The table in section 523(a)(1) of title 10, United States Code, is amended by striking the figures under the heading ''Colonel'' in the portion of the table relating to the Marine Corps and inserting the following:

''571
632
653
673
694
715
735''.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2003, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 87,800.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 106,600.

(6) The Air Force Reserve, 75,600.

(7) The Coast Guard Reserve, 9,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2003, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 24,492.

(2) The Army Reserve, 13,888.

(3) The Naval Reserve, 14,572.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 11,727.

(6) The Air Force Reserve, 1,498.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2003 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army Reserve, 6,599.

(2) For the Army National Guard of the United States, 24,102.

(3) For the Air Force Reserve, 9,911.

(4) For the Air National Guard of the United States, 22,495.

SEC. 414. FISCAL YEAR 2003 LIMITATIONS ON NON-DUAL STATUS TECHNICIANS.

(a) LIMITATIONS.—(1) Within the limitation provided in section 10217(c)(2) of title 10, United States Code, the number of non-dual status technicians employed by the National Guard as of September 30, 2003, may not exceed the following:

(A) For the Army National Guard of the United States, 1,600.

(B) For the Air National Guard of the United States, 350.

(2) The number of non-dual status technicians employed by the Army Reserve as of September 30, 2003, may not exceed 995.

(3) The Air Force Reserve may not employ any person as a non-dual status technician during fiscal year 2003.

(b) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given the term in section 10217(a) of title 10, United States Code.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2003 a total of $94,352,208,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2003.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—Officer Personnel Policy

SEC. 501. EXTENSION OF CERTAIN REQUIREMENTS AND EXCLUSIONS APPLICABLE TO SERVICE OF GENERAL AND FLAG OFFICERS ON ACTIVE DUTY IN CERTAIN JOINT DUTY ASSIGNMENTS.

(a) RECOMMENDATIONS FOR ASSIGNMENT TO SENIOR JOINT OFFICER POSITIONS.—Section 604(c) of title 10, United States Code, is amended by striking ''September 30, 2003'' and inserting ''December 31, 2003''.

(b) INAPPLICABILITY OF GRADE DISTRIBUTION REQUIREMENTS.—Section 525(b)(5)(C) of such title is amended by striking ''September 30, 2003'' and inserting ''December 31, 2003''.

(c) EXCLUSION FROM STRENGTH LIMITATION.—Section 526(b)(3) of such title is amended by striking ''October 1, 2002'' and inserting ''December 31, 2003''.

SEC. 502. EXTENSION OF AUTHORITY TO WAIVE REQUIREMENT FOR SIGNIFICANT JOINT DUTY EXPERIENCE FOR APPOINTMENT AS A CHIEF OF A RESERVE COMPONENT OR A NATIONAL GUARD DIRECTOR.

(a) CHIEF OF ARMY RESERVE.—Section 3038(b)(4) of title 10, United States Code, is amended by striking ''October 1, 2003'' and inserting ''December 31, 2003''.

(b) CHIEF OF NAVAL RESERVE.—Section 5143(b)(4) of such title is amended by striking ''October 1, 2003'' and inserting ''December 31, 2003''.

(c) COMMANDER, MARINE FORCES RESERVE.—Section 5144(b)(4) of such title is amended by striking ''October 1, 2003'' and inserting ''December 31, 2003''.

(d) CHIEF OF AIR FORCE RESERVE.—Section 8038(b)(4) of such title 10, United States Code, is amended by striking ''October 1, 2003'' and inserting ''December 31, 2003''.

(e) DIRECTORS OF THE NATIONAL GUARD.—Section 10506(a)(3)(D) of such title is amended by striking ''October 1, 2003'' and inserting ''December 31, 2003''.

SEC. 503. REPEAL OF LIMITATION ON AUTHORITY TO GRANT CERTAIN OFFICERS A WAIVER OF REQUIRED SEQUENCE FOR JOINT PROFESSIONAL MILITARY EDUCATION AND JOINT DUTY ASSIGNMENT.

Section 661(c)(3)(D) of title 10, United States Code, is amended by striking ''In the case of officers in grades below brigadier general'' and all that follows through ''selected for the joint specialty during that fiscal year.''.

SEC. 504. EXTENSION OF TEMPORARY AUTHORITY FOR RECALL OF RETIRED AVIATORS.

Section 501(e) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 589) is amended by striking ''September 30, 2002'' and inserting ''September 30, 2008''.

SEC. 505. INCREASED GRADE FOR HEADS OF NURSE CORPS.

(a) ARMY.—Section 3069(b) of title 10, United States Code, is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

(b) NAVY.—The first sentence of section 5150(c) of such title is amended—

(1) by inserting ''rear admiral (upper half) in the case of an officer in the Nurse Corps or'' after ''for promotion to the grade of''; and

(2) by inserting ''in the case of an officer in the Medical Service Corps'' after ''rear admiral (lower half)''.

(c) AIR FORCE.—Section 8069(b) of such title is amended by striking ''brigadier general'' in the second sentence and inserting ''major general''.

SEC. 506. REINSTATEMENT OF AUTHORITY TO REDUCE SERVICE REQUIREMENT FOR RETIREMENT IN GRADES ABOVE O–4.

(a) OFFICERS ON ACTIVE DUTY.—Subsection (a)(2)(A) of section 1370 of title 10, United States Code, is amended—

(1) by striking ''may authorize'' and all that follows and inserting ''may, in the case of retirements effective during the period beginning on September 1, 2002, and ending on December 31, 2004, authorize—''; and

(2) by adding at the end the following:

''(1) the Deputy Under Secretary of Defense for Personnel and Readiness to reduce such 3-year period of required service to a period not less than two years for retirements in grades above colonel or, in the case of the Navy, captain; and

''(2) the Secretary of a military department or the Assistant Secretary of a military department having responsibility for manpower and reserve affairs to reduce such 3-year period to a period of required service not less than two years for retirements in grades of lieutenant colonel and colonel or, in the case of the Navy, commander and captain.''.

(b) RESERVE OFFICERS.—Subsection (d)(5) of such section is amended—

(1) in the first sentence—

(A) by striking ''may authorize'' and all that follows and inserting ''may, in the case of retirements effective during the period beginning on September 1, 2002, and ending on December 31, 2004, authorize—''; and

(B) by adding at the end the following:

''(A) the Deputy Under Secretary of Defense for Personnel and Readiness to reduce such 3-year period of required service to a period not less than two years for retirements in grades above colonel or, in the case of the Navy, captain; and

''(B) the Secretary of a military department or the Assistant Secretary of a military department having responsibility for manpower and reserve affairs to reduce such 3-year period of required service to a period not less than two years for retirements in grades of lieutenant colonel and colonel or, in the case of the Navy, commander and captain.'';

(2) by designating the second sentence as paragraph (6) and realigning such paragraph, as so redesignated 2 ems from the left margin; and

(3) in paragraph (6), as so redesignated, by striking ''this paragraph'' and inserting ''paragraph (5)''.

(c) ADVANCE NOTICE TO THE PRESIDENT AND CONGRESS.—Such section is further amended by adding at the end the following new subsection:

''(e) ADVANCE NOTICE TO CONGRESS.—(1) The Secretary of Defense shall notify the Committees on Armed Services of the Senate and House of Representatives of—

''(A) an exercise of authority under paragraph (2)(A) of subsection (a) to reduce the 3-year minimum period of required service on active duty in a grade in the case of an officer to whom such paragraph applies before the officer is retired in such grade under such subsection without having satisfied that 3-year service requirement; and

''(B) an exercise of authority under paragraph (5) of subsection (d) to reduce the 3-year minimum period of service in grade required under paragraph (3)(A) of such subsection in the case of an officer to whom such paragraph applies before the officer is credited with satisfactory service in such grade under subsection (d) without having satisfied that 3-year service requirement.

''(2) The requirement for a notification under paragraph (1) is satisfied in the case of an officer to whom subsection (c) applies if the notification is included in the certification submitted with respect to such officer under paragraph (1) of such subsection.

''(3) The notification requirement under paragraph (1) does not apply to an officer being retired in the grade of lieutenant colonel or colonel or, in the case of the Navy, commander or captain.''.

Subtitle B—Reserve Component Personnel Policy

SEC. 511. TIME FOR COMMENCEMENT OF INITIAL PERIOD OF ACTIVE DUTY FOR TRAINING UPON ENLISTMENT IN RESERVE COMPONENT.

Section 12103(d) of title 10, United States Code, is amended by striking ''270 days'' in the second sentence and inserting ''one year''.

SEC. 512. AUTHORITY FOR LIMITED EXTENSION OF MEDICAL DEFERMENT OF MANDATORY RETIREMENT OR SEPARATION OF RESERVE COMPONENT OFFICER.

(a) AUTHORITY.—Chapter 1407 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 14519. Deferment of retirement or separation for medical reasons

''(a) AUTHORITY.—If, in the case of an officer required to be retired or separated under this chapter or chapter 1409 of this title, the Secretary concerned determines that the evaluation of the physical condition of the officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization or medical observation and that such hospitalization or medical observation cannot be completed with confidence in a manner consistent with the officer's well being before the date on which the officer would otherwise be required to retire or be separated, the Secretary may defer the retirement or separation of the officer.

''(b) PERIOD OF DEFERMENT.—A deferral of retirement or separation under subsection (a) may not extend for more than 30 days after the completion of the evaluation requiring hospitalization or medical observation.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''14519. Deferment of retirement or separation for medical reasons.''.

SEC. 513. REPEAL OF PROHIBITION ON USE OF AIR FORCE RESERVE AGR PERSONNEL FOR AIR FORCE BASE SECURITY FUNCTIONS.

(a) REPEAL.—Section 12551 of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1215 of such title is amended by striking the item relating to section 12551.

Subtitle C—Education and Training

SEC. 521. INCREASE IN AUTHORIZED STRENGTHS FOR THE SERVICE ACADEMIES.

(a) UNITED STATES MILITARY ACADEMY.—Section 4342 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''4,000'' in the first sentence and inserting ''4,400''; and

(2) in subsection (i), by striking ''variance in that limitation'' and inserting ''variance above that limitation''.

(b) UNITED STATES NAVAL ACADEMY.—Section 6954 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''4,000'' in the first sentence and inserting ''4,400'; and

(2) in subsection (g), by striking ''variance in that limitation'' and inserting ''variance above that limitation''.

(c) UNITED STATES AIR FORCE ACADEMY.—Section 9342 of title 10, United States Code, is amended—

(1) in subsection (a), by striking ''4,000'' in the first sentence and inserting ''4,400''; and

(2) in subsection (i), by striking ''variance in that limitation'' and inserting ''variance above that limitation''.

Subtitle D—Decorations, Awards, and Commendations

SEC. 531. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED-SERVICE CROSS OF THE ARMY.—Subsection (a) applies to the award of the Distinguished-Service Cross of the Army as follows:

(1) To Henry Johnson of Albany, New York, for extraordinary heroism in France during the period of May 13 to 15, 1918, while serving as a member of the Army.

(2) To Hilliard Carter of Jackson, Mississippi, for extraordinary heroism in actions near Troung Loung, Republic of Vietnam, on September 28, 1966, while serving as a member of the Army.

(3) To Albert C. Welch of Highland Ranch, Colorado, for extraordinary heroism in actions in Ong Thanh, Binh Long Province, Republic of Vietnam, on October 17, 1967, while serving as a member of the Army.

(c) DISTINGUISHED FLYING CROSS OF THE NAVY.—Subsection (a) applies to the award of the Distinguished Flying Cross of the Navy as follows:

(1) To Eduguardo Coppola of Falls Church, Virginia, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

(2) To James Hoisington, Jr., of Stillman Valley, Illinois, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

(3) To William M. Melvin of Lawrenceburg, Tennessee, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

(4) To Vincent Urbank of Tom River, New Jersey, for extraordinary achievement while participating in aerial flight during World War II, while serving as a member of the Navy.

SEC. 532. KOREA DEFENSE SERVICE MEDAL.

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

(1) More than 40,000 members of the United States Armed Forces have served on the Korean Peninsula each year since the signing of the cease-fire agreement in July 1953 ending the Korean War.

(2) An estimated 1,200 members of the United States Armed Forces died as a direct result of their service in Korea since the cease-fire agreement in July 1953.

(b) ARMY.—(1) Chapter 357 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 3755. Korea Defense Service Medal

''(a) The Secretary of the Army shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Army served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

''(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

''(c) The Secretary of the Army shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''3755. Korea Defense Service Medal.''.

(c) NAVY AND MARINE CORPS.—(1) Chapter 567 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 6257. Korea Defense Service Medal

''(a) The Secretary of the Navy shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Navy or Marine Corps served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

''(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

''(c) The Secretary of the Navy shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''6257. Korea Defense Service Medal.''.

(d) AIR FORCE.—(1) Chapter 857 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 8755. Korea Defense Service Medal

''(a) The Secretary of the Air Force shall issue a campaign medal, to be known as the Korea Defense Service Medal, to each person who while a member of the Air Force served in the Republic of Korea or the waters adjacent thereto during the KDSM eligibility period and met the service requirements for the award of that medal prescribed under subsection (c).

''(b) In this section, the term 'KDSM eligibility period' means the period beginning on July 28, 1954, and ending on such date after the date of the enactment of this section as may be determined by the Secretary of Defense to be appropriate for terminating eligibility for the Korea Defense Service Medal.

''(c) The Secretary of the Air Force shall prescribe service requirements for eligibility for the Korea Defense Service Medal. Those requirements shall not be more stringent than the service requirements for award of the Armed Forces Expeditionary Medal for instances in which the award of that medal is authorized.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''8755. Korea Defense Service Medal.''.

(e) AWARD FOR SERVICE BEFORE DATE OF ENACTMENT.—The Secretary of the military department concerned shall take appropriate steps to provide in a timely manner for the issuance of the Korea Defense Service Medal, upon application therefor, to persons whose eligibility for that medal is by reason of service in the Republic of Korea or the waters adjacent thereto before the date of the enactment of this Act.

Subtitle E—National Call to Service

SEC. 541. ENLISTMENT INCENTIVES FOR PURSUIT OF SKILLS TO FACILITATE NATIONAL SERVICE.

(a) AUTHORITY.—(1) Chapter 5 of title 37, United States Code, is amended by adding at the end the following new section:

"§ 326. Enlistment incentives for pursuit of skills to facilitate national service

''(a) INCENTIVES AUTHORIZED.—The Secretary of Defense may carry out a program in accordance with the provisions of this section under which program a National Call to Service participant described in subsection (b) shall be entitled to an incentive specified in subsection (d).

''(b) NATIONAL CALL TO SERVICE PARTICIPANT.—In this section, the term 'National Call to Service participant' means a person who first enlists in the armed forces pursuant to a written agreement (prescribed by the Secretary of the military department concerned) under which agreement the person shall—

''(1) upon completion of initial entry training (as prescribed by the Secretary of Defense), serve on active duty in the armed forces in a military occupational specialty designated by the Secretary of Defense under subsection (c) for a period of 15 months; and

''(2) upon completion of such service on active duty, and without a break in service, serve the minimum period of obligated service specified in the agreement under this section—

''(A) on active duty in the armed forces;

''(B) in the Selected Reserve;

''(C) in the Individual Ready Reserve;

''(D) in the Peace Corps, Americorps, or another national service program jointly designated by the Secretary of Defense and the head of such program for purposes of this section; or

''(E) in any combination of service referred to in subparagraphs (A) through (D) that is approved by the Secretary of the military department concerned pursuant to regulations prescribed by the Secretary of Defense.

''(c) DESIGNATED MILITARY OCCUPATIONAL SPECIALTIES.—The Secretary of Defense shall designate military occupational specialties for purposes of subsection (b)(1). Such military occupational specialties shall be military occupational specialties that will facilitate, as determined by the Secretary, pursuit of national service by National Call to Service participants during and after their completion of duty or service under an agreement under subsection (b).

''(d) INCENTIVES.—The incentives specified in this subsection are as follows:

''(1) Payment of a bonus in the amount of $5,000.

''(2) Payment of outstanding principal and interest on qualifying student loans of the National Call to Service participant in an amount not to exceed $18,000.

''(3) Entitlement to an allowance for educational assistance at the monthly rate equal to the monthly rate payable for basic educational assistance allowances under section 3015(a)(1) of title 38 for a total of 12 months.

''(4) Entitlement to an allowance for educational assistance at the monthly rate equal to ⅔ of the monthly rate payable for basic educational assistance allowances under section 3015(b)(1) of title 38 for a total of 36 months.

''(e) ELECTION OF INCENTIVES.—A National Call to Service participant shall elect in the agreement under subsection (b) which incentive under subsection (d) to receive. An election under this subsection is irrevocable.

''(f) PAYMENT OF BONUS AMOUNTS.—(1) Payment to a National Call to Service participant of the bonus elected by the National Call to Service participant under subsection (d)(1) shall be made in such time and manner as the Secretary of Defense shall prescribe.

''(2)(A) Payment of outstanding principal and interest on the qualifying student loans of a National Call to Service participant, as elected under subsection (d)(2), shall be made in such time and manner as the Secretary of Defense shall prescribe.

''(B) Payment under this paragraph of the outstanding principal and interest on the qualifying student loans of a National Call to Service participant shall be made to the holder of such student loans, as identified by the National Call to Service participant to the Secretary of the military department concerned for purposes of such payment.

''(3) Payment of a bonus or incentive in accordance with this subsection shall be made by the Secretary of the military department concerned.

''(g) COORDINATION WITH MONTGOMERY GI BILL BENEFITS.—(1) A National Call to Service participant who elects an incentive under paragraph (3) or (4) of subsection (d) is not entitled to educational assistance under chapter 1606 of title 10 or basic educational assistance under subchapter II of chapter 30 of title 38.

''(2)(A) The Secretary of Defense shall, to the maximum extent practicable, administer the receipt by National Call to Service participants of incentives under paragraph (3) or (4) of subsection (d) as if such National Call to Service participants were, in receiving such incentives, receiving educational assistance for members of the Selected Reserve under chapter 1606 of title 10.

''(B) The Secretary of Defense shall, in consultation with the Secretary of Veterans Affairs, prescribe regulations for purposes of subparagraph (A). Such regulations shall, to the maximum extent practicable, take into account the administrative provisions of chapters 30 and 36 of title 38 that are specified in section 16136 of title 10.

''(3) Except as provided in paragraph (1), nothing in this section shall prohibit a National Call to Service participant who satisfies through service under subsection (b) the eligibility requirements for educational assistance under chapter 1606 of title 10 or basic educational assistance under chapter 30 of title 38 from an entitlement to such educational assistance under chapter 1606 of title 10 or basic educational assistance under chapter 30 of title 38, as the case may be.

''(h) REPAYMENT.—(1) If a National Call to Service participant who has entered into an agreement under subsection (b) and received or benefited from an incentive under subsection (d)(1) or (d)(2) fails to complete the total period of service specified in such agreement, the National Call to Service participant shall refund to the United States the amount that bears the same ratio to the amount of the incentive as the uncompleted part of such service bears to the total period of such service.

''(2) Subject to paragraph (3), an obligation to reimburse the United States imposed under paragraph (1) is for all purposes a debt owed to the United States.

''(3) The Secretary concerned may waive, in whole or in part, a reimbursement required under paragraph (1) if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

''(4) A discharge in bankruptcy under title 11 that is entered into less than 5 years after the termination of an agreement entered into under subsection (b) does not discharge the person signing the agreement from a debt arising under the agreement or under paragraph (1).

''(i) FUNDING.—Amounts for payment of incentives under subsection (d), including payment of allowances for educational assistance under that subsection, shall be derived from amounts available to the Secretary of the military department concerned for payment of pay, allowances, and other expenses of the members of the armed force concerned.

''(j) REGULATIONS.—The Secretary of Defense and the Secretaries of the military departments shall prescribe regulations for purposes of the program under this section.

''(k) DEFINITIONS.—In this section:

''(1) The term 'Americorps' means the Americorps program carried out under subtitle C of title I of the National and Community Service Act of 1990 (42 U.S.C. 12571 et seq.).

''(2) The term 'qualifying student loan' means a loan, the proceeds of which were used to pay the cost of attendance (as defined in section 472 of the Higher Education Act of 1965 (20 U.S.C. 1087ll) at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(3) The term 'Secretary of a military department' includes the Secretary of Transportation, with respect to matters concerning the Coast Guard when it is not operating as a service in the Navy.''.

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 325 the following new item:

''326. Enlistment incentives for pursuit of skills to facilitate national service.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2002. No individual entering into an enlistment before that date may participate in the program under section 326 of title 37, United States Code, as added by that subsection.

SEC. 542. MILITARY RECRUITER ACCESS TO INSTITUTIONS OF HIGHER EDUCATION.

(a) ACCESS TO INSTITUTIONS OF HIGHER EDUCATION.—Section 503 of title 10, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

''(d) ACCESS TO INSTITUTIONS OF HIGHER EDUCATION.—(1) Each institution of higher education receiving assistance under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.)—

''(A) shall provide to military recruiters the same access to students at the institution as is provided generally to prospective employers of those students; and

''(B) shall, upon a request made by military recruiters for military recruiting purposes, provide access to the names, addresses, and telephone listings of students at the institution, notwithstanding section 444(a)(5)(B) of the General Education Provisions Act (20 U.S.C. 1232g(a)(5)(B)).

''(2) An institution of higher education may not release a student's name, address, and telephone listing under paragraph (1)(B) without the prior written consent of the student or the parent of the student (in the case of a student under the age of 18) if the student, or a parent of the student, as appropriate, has submitted a request to the institution of higher education that the student's information not be released for a purpose covered by that subparagraph without prior written consent. Each institution of higher education shall notify students and parents of the rights provided under the preceding sentence.

''(3) In this subsection, the term 'institution of higher education' has the meaning given the term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).''.

(b) NOTIFICATION.—The Secretary of Education shall provide to institutions of higher education notice of the provisions of subsection (d) of section 503 of title 10, United States Code, as amended by subsection (a) of this section. Such notice shall be provided not later than 120 days after the date of the enactment of this Act, and shall be provided in consultation with the Secretary of Defense.

Subtitle F—Other Matters

SEC. 551. BIENNIAL SURVEYS ON RACIAL, ETHNIC, AND GENDER ISSUES.

(a) DIVISION OF ANNUAL SURVEY INTO TWO BIENNIAL SURVEYS.—Section 481 of title 10, United States Code, is amended to read as follows:

''§ 481. Racial, ethnic, and gender issues: biennial surveys

''(a) IN GENERAL.—The Secretary of Defense shall carry out two separate biennial surveys in accordance with this section to identify and assess racial, ethnic, and gender issues and discrimination among members of the armed forces serving on active duty and the extent (if any) of activity among such members that may be seen as so-called 'hate group' activity.

''(b) BIENNIAL SURVEY ON RACIAL AND ETHNIC ISSUES.—One of the surveys conducted every two years under this section shall solicit information on racial and ethnic issues and the climate in the armed forces for forming professional relationships among members of the armed forces of the various racial and ethnic groups. The information solicited shall include the following:

''(1) Indicators of positive and negative trends for professional and personal relationships among members of all racial and ethnic groups.

''(2) The effectiveness of Department of Defense policies designed to improve relationships among all racial and ethnic groups.

''(3) The effectiveness of current processes for complaints on and investigations into racial and ethnic discrimination.

''(c) BIENNIAL SURVEY ON GENDER ISSUES.—One of the surveys conducted every two years under this section shall solicit information on gender issues, including issues relating to gender-based harassment and discrimination, and the climate in the armed forces for forming professional relationships between male and female members of the armed forces. The information solicited shall include the following:

''(1) Indicators of positive and negative trends for professional and personal relationships between male and female members of the armed forces.

''(2) The effectiveness of Department of Defense policies designed to improve professional relationships between male and female members of the armed forces.

''(3) The effectiveness of current processes for complaints on and investigations into gender-based discrimination.

''(d) SURVEYS TO ALTERNATE EVERY YEAR.—The biennial survey under subsection (b) shall be conducted in odd-numbered years. The biennial survey under subsection (c) shall be conducted in even-numbered years.

''(e) IMPLEMENTING ENTITY.—The Secretary shall carry out the biennial surveys through entities in the Department of Defense as follows:

''(1) The biennial review under subsection (b), through the Armed Forces Survey on Racial and Ethnic Issues.

''(2) The biennial review under subsection (c), through the Armed Forces Survey on Gender Issues.

''(f) REPORTS TO CONGRESS.—Upon the completion of a biennial survey under this section, the Secretary shall submit to Congress a report containing the results of the survey.

''(g) INAPPLICABILITY TO COAST GUARD.—The requirements for surveys under this section do not apply to the Coast Guard.''.

(b) CLERICAL AMENDMENT.—The item relating to such section in the table of sections at the beginning of chapter 23 of such title is amended to read as follows:

''481. Racial, ethnic, and gender issues: biennial surveys.''.

SEC. 552. LEAVE REQUIRED TO BE TAKEN PENDING REVIEW OF A RECOMMENDATION FOR REMOVAL BY A BOARD OF INQUIRY.

(a) REQUIREMENT.—Section 1182(c) of title 10, United States Code, is amended—

(1) by inserting ''(1)'' after ''(c)''; and

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

''(2) Under regulations prescribed by the Secretary concerned, an officer referred to in paragraph (1) may be required to take leave pending the completion of the action under this chapter in the case of that officer. The officer may be required to begin such leave at any time following the officer's receipt of the report of the board of inquiry, including the board's recommendation for removal from active duty, and the expiration of any period allowed for submission by the officer of a rebuttal to that report. The leave may be continued until the date on which action by the Secretary concerned under this chapter is completed in the case of the officer or may be terminated at any earlier time.''.

(b) PAYMENT FOR MANDATORY EXCESS LEAVE UPON DISAPPROVAL OF CERTAIN INVOLUNTARY SEPARATION RECOMMENDATIONS.—Chapter 40 of such title is amended by inserting after section 707 the following new section:

"§ 707a. Payment upon disapproval of certain board of inquiry recommendations for excess leave required to be taken

''(a) An officer—

''(1) who is required to take leave under section 1182(c)(2) of this title, any period of which is charged as excess leave under section 706(a) of this title, and

''(2) whose recommendation for removal from active duty in a report of a board of inquiry is not approved by the Secretary concerned under section 1184 of this title,

shall be paid, as provided in subsection (b), for the period of leave charged as excess leave.

''(b)(1) An officer entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances for each day of leave required to be taken under section 1182(c)(2) of this title that is charged as excess leave (except any day of accrued leave for which the officer has been paid under section 706(b)(1) of this title and which has been charged as excess leave).

''(2) The officer shall be paid the amount of pay and allowances that is deemed to have accrued to the officer under paragraph (1), reduced by the total amount of his income from wages, salaries, tips, other personal service income, unemployment compensation, and public assistance benefits from any Government agency during the period the officer is deemed to have accrued pay and allowances. Except as provided in paragraph (3), such payment shall be made within 60 days after the date on which the Secretary concerned decides not to remove the officer from active duty.

''(3) If an officer is entitled to be paid under this section, but fails to provide sufficient information in a timely manner regarding the officer's income when such information is requested under regulations prescribed under subsection (c), the period of time prescribed in paragraph (2) shall be extended until 30 days after the date on which the member provides the information requested.

''(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. The regulations may provide for the method of determining an officer's income during any period the officer is deemed to have accrued pay and allowances, including a requirement that the officer provide income tax returns and other documentation to verify the amount of the officer's income.''.

(c) CONFORMING AMENDMENTS.—(1) Section 706 of such title is amended by inserting ''or 1182(c)(2)'' after ''section 876a'' in subsections (a), (b), and (c).

(2) The heading for such section is amended to read as follows:

"§ 706. Administration of required leave".

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 40 of title 10, United States Code, is amended—

(1) by striking the item relating to section 706 and inserting the following:

''706. Administration of required leave.'';

and

(2) by inserting after the item relating to section 707 the following new item:

''707a. Payment upon disapproval of certain board of inquiry recommendations for excess leave required to be taken.''.

SEC. 553. STIPEND FOR PARTICIPATION IN FUNERAL HONORS DETAILS.

Section 1491(d) of title 10, United States Code, is amended—

(1) by striking paragraph (1) and inserting the following:

''(A) For a participant in the funeral honors detail who is a member or former member of the armed forces in a retired status or is not a member of the armed forces (other than a former member in a retired status) and not an employee of the United States, either—

''(i) transportation; or

''(ii) a daily stipend prescribed annually by the Secretary of Defense at a single rate that is designed to defray the costs for transportation and other expenses incurred by the participant in connection with participation in the funeral honors detail.'';

(2) by inserting ''(1)'' after ''(d) SUPPORT.—'';

(3) by redesignating paragraph (2) as subparagraph (B);

(4) in subparagraph (B), as so redesignated, by inserting ''members of the armed forces in a retired status and'' after ''training for''; and

(5) by adding at the end the following:

''(2) A stipend paid under paragraph (1)(A) to a member or former member of the armed forces in a retired status shall be in addition to any other compensation to which the retired member may be entitled.''.

SEC. 554. WEAR OF ABAYAS BY FEMALE MEMBERS OF THE ARMED FORCES IN SAUDI ARABIA.

(a) PROHIBITIONS RELATING TO WEAR OF ABAYAS.—No member of the Armed Forces having authority over a member of the Armed Forces and no officer or employee of the United States having authority over a member of the Armed Forces may—

(1) require or encourage that member to wear the abaya garment or any part of the abaya garment while the member is in the Kingdom of Saudi Arabia pursuant to a permanent change of station or orders for temporary duty; or

(2) take any adverse action, whether formal or informal, against the member for choosing not to wear the abaya garment or any part of the abaya garment while the member is in the Kingdom of Saudi Arabia pursuant to a permanent change of station or orders for temporary duty.

(b) INSTRUCTION.—(1) The Secretary of Defense shall provide each female member of the Armed Forces ordered to a permanent change of station or temporary duty in the Kingdom of Saudi Arabia with instructions regarding the prohibitions in subsection (a) immediately upon the arrival of the member at a United States military installation within the Kingdom of Saudi Arabia. The instructions shall be presented orally and in writing. The written instruction shall include the full text of this section.

(2) In carrying out paragraph (1), the Secretary shall act through the Commander in Chief, United States Central Command and Joint Task Force Southwest Asia, and the commanders of the Army, Navy, Air Force, and Marine Corps components of the United States Central Command and Joint Task Force Southwest Asia.

(c) PROHIBITION ON USE OF FUNDS FOR PROCUREMENT OF ABAYAS.—Funds appropriated or otherwise made available to the Department of Defense may not be used to procure abayas for regular or routine issuance to members of the Armed Forces serving in the Kingdom of Saudi Arabia or for any personnel of contractors accompanying the Armed Forces in the Kingdom of Saudi Arabia in the performance of contracts entered into with such contractors by the United States.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2003 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2003, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40
O–7	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90
O–6	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60
O–5	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80
O–4	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00
O–3[3]	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50
O–2[3]	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20
O–1[3]	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80
	Over 8	Over 10	Over 12	Over 14	Over 16
O–10[2]	$0.00	$0.00	$0.00	$0.00	$0.00
O–9	0.00	0.00	0.00	0.00	0.00
O–8	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20
O–7	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70
O–6	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30
O–5	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90
O–4	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10
O–3[3]	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10

COMMISSIONED OFFICERS[1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–2[3]	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O–1[3]	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10[2]	$0.00	$12,077.70	$12,137.10	$12,389.40	$12,829.20
O–9	0.00	10,563.60	10,715.70	10,935.60	11,319.60
O–8	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O–7	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O–6	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O–5	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O–4	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O–3[3]	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O–2[3]	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O–1[3]	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.*

[2] *Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is $14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.*

[3] *This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.*

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$3,883.50	$4,069.50
O–2E	0.00	0.00	0.00	3,410.70	3,481.20
O–1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$4,273.50	$4,405.80	$4,623.30	$4,806.30	$4,911.00
O–2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10
O–1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$5,054.40	$5,054.40	$5,054.40	$5,054.40	$5,054.40
O–2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O–1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

WARRANT OFFICERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W–3	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W–2	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W–1	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W–3	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W–2	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W–1	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$5,169.30	$5,346.60	$5,524.50	$5,703.30
W–4	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W–3	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W–2	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W–1	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

[1] *Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.*

ENLISTED MEMBERS[1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9[2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E–6	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E–5	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E–4	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E–3	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1[3]	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

ENLISTED MEMBERS[1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9[2]	$0.00	$3,564.30	$3,645.00	$3,747.00	$3,867.00
E–8	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E–7	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E–6	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E–5	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1[3]	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9[2]	$3,987.30	$4,180.80	$4,344.30	$4,506.30	$4,757.40
E–8	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E–7	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E–6	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E–5	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1[3]	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, the rate of basic pay for this grade is $5,732.70, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,064.70.

SEC. 602. RATE OF BASIC ALLOWANCE FOR SUBSISTENCE FOR ENLISTED PERSONNEL OCCUPYING SINGLE GOVERNMENT QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS.

(a) AUTHORITY TO PAY INCREASED RATE.—Section 402(d) of title 37, United States Code, is amended to read as follows:

''(d) SPECIAL RATE FOR ENLISTED MEMBERS OCCUPYING SINGLE QUARTERS WITHOUT ADEQUATE AVAILABILITY OF MEALS.—The Secretary of Defense, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, may pay an enlisted member the basic allowance for subsistence under this section at a monthly rate that is twice the amount in effect under subsection (b)(2) while—

''(1) the member is assigned to single Government quarters which have no adequate food storage or preparation facility in the quarters; and

''(2) there is no Government messing facility serving those quarters that is capable of making meals available to the occupants of the quarters.''.

(b) EFFECTIVE DATE.—Subsection (a) and the amendment made by such subsection shall take effect on October 1, 2002.

SEC. 603. BASIC ALLOWANCE FOR HOUSING IN CASES OF LOW-COST OR NO-COST MOVES.

Section 403 of title 37, United States Code, is amended—

(1) by transferring paragraph (7) of subsection (b) to the end of the section; and

(2) in such paragraph—

(A) by striking ''(7)'' and all that follows through ''circumstances of which make it necessary that the member be'' and inserting ''(o) TREATMENT OF LOW-COST AND NO-COST MOVES AS NOT BEING REASSIGNMENTS.—In the case of a member who is assigned to duty at a location or under circumstances that make it necessary for the member to be''; and

(B) by inserting ''for the purposes of this section'' after ''may be treated''.

SEC. 604. TEMPORARY AUTHORITY FOR HIGHER RATES OF PARTIAL BASIC ALLOWANCE FOR HOUSING FOR CERTAIN MEMBERS ASSIGNED TO HOUSING UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) AUTHORITY.—The Secretary of Defense may prescribe and, under section 403(n) of title 37, United States Code, pay for members of the Armed Forces (without dependents) in privatized housing higher rates of partial basic allowance for housing than those that are authorized under paragraph (2) of such section 403(n).

(b) MEMBERS IN PRIVATIZED HOUSING.—For the purposes of this section, a member of the Armed Forces (without dependents) is a member of the Armed Forces (without dependents) in privatized housing while the member is assigned to housing that is acquired or constructed under the authority of subchapter IV of chapter 169 of title 10, United States Code.

(c) TREATMENT OF HOUSING AS GOVERNMENT QUARTERS.—For purposes of section 403 of title 37, United States Code, a member of the Armed Forces (without dependents) in privatized housing shall be treated as residing in quarters of the United States or a housing facility under the jurisdiction of the Secretary of a military department while a higher rate of partial allowance for housing is paid for the member under this section.

(d) PAYMENT TO PRIVATE SOURCE.—The partial basic allowance for housing paid for a member at a higher rate under this section may be paid directly to the private sector source of the housing to whom the member is obligated to pay rent or other charge for residing in such housing if the private sector source credits the amount so paid against the amount owed by the member for the rent or other charge.

(e) TERMINATION OF AUTHORITY.—Rates prescribed under subsection (a) may not be paid under the authority of this section in connection with contracts that are entered into after December 31, 2007, for the construction or acquisition of housing under the authority of subchapter IV of chapter 169 of title 10, United States Code.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(f) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2003'' and inserting ''January 1, 2004''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking

''December 31, 2002'' and inserting ''December 31, 2003''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 615. INCREASED MAXIMUM AMOUNT PAYABLE AS MULTIYEAR RETENTION BONUS FOR MEDICAL OFFICERS OF THE ARMED FORCES.

Section 301d(a)(2) of title 37, United States Code, is amended by striking ''$14,000'' and inserting ''$25,000''.

SEC. 616. INCREASED MAXIMUM AMOUNT PAYABLE AS INCENTIVE SPECIAL PAY FOR MEDICAL OFFICERS OF THE ARMED FORCES.

Section 302(b)(1) of title 37, United States Code, is amended—

(1) by striking ''fiscal year 1992, and'' in the second sentence and inserting ''fiscal year 1992,''; and

(2) by inserting before the period at the end of such sentence the following: ''and before fiscal year 2003, and $50,000 for any twelve-month period beginning after fiscal year 2002''.

SEC. 617. ASSIGNMENT INCENTIVE PAY.

(a) AUTHORITY.—(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 305a the following new section:

''§ 305b. Special pay: assignment incentive pay

''(a) AUTHORITY.—The Secretary concerned, with the concurrence of the Secretary of Defense, may pay monthly incentive pay under this section to a member of a uniformed service for a period that the member performs service, while entitled to basic pay, in an assignment that is designated by the Secretary concerned.

''(b) MAXIMUM RATE.—The maximum monthly rate of incentive pay payable to a member under this section is $1,500.

''(c) RELATIONSHIP TO OTHER PAY AND ALLOWANCES.—Incentive pay paid to a member under this section is in addition to any other pay and allowances to which the member is entitled.

''(d) STATUS NOT AFFECTED BY TEMPORARY DUTY OR LEAVE.—The service of a member in an assignment referred to in subsection (a) shall not be considered discontinued during any period that the member is not performing service in such assignment by reason of temporary duty performed by the member pursuant to orders or absence of the member for authorized leave.

''(e) TERMINATION OF AUTHORITY.—No assignment incentive pay may be paid under this section for months beginning more than three years after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 305a the following new item:

''305b. Special pay: assignment incentive pay.''.

(b) ANNUAL REPORT.—Not later than February 28 of each of 2004 and 2005, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the administration of the authority under section 305b of title 37, United States Code, as added by subsection (a). The report shall include an assessment of the utility of that authority.

SEC. 618. INCREASED MAXIMUM AMOUNTS FOR PRIOR SERVICE ENLISTMENT BONUS.

Section 308i(b)(1) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking ''$5,000'' and inserting ''$8,000'';

(2) in subparagraph (B), by striking ''$2,500'' and inserting ''$4,000''; and

(3) in subparagraph (C), by striking ''$2,000'' and inserting ''$3,500''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. DEFERRAL OF TRAVEL IN CONNECTION WITH LEAVE BETWEEN CONSECUTIVE OVERSEAS TOURS.

(a) DATE TO WHICH TRAVEL MAY BE DEFERRED.—Section 411b(a)(2) of title 37, United States Code, is amended by striking ''not more than one year'' in the first sentence and all that follows through ''operation ends.'' in the second sentence and inserting the following: ''the date on which the member departs the duty station in termination of the consecutive tour of duty at that duty station or reports to another duty station under the order involved, as the case may be.''.

(b) EFFECTIVE DATE AND SAVINGS PROVISION.—(1) The amendment made by subsection (a) shall take effect on October 1, 2002.

(2) Section 411b(a) of title 37, United States Code, as in effect on September 30, 2002, shall continue to apply with respect to travel described in subsection (a)(2) of such title (as in effect on such date) that commences before October 1, 2002.

SEC. 632. TRANSPORTATION OF MOTOR VEHICLES FOR MEMBERS REPORTED MISSING.

(a) AUTHORITY TO SHIP TWO MOTOR VEHICLES.—Subsection (a) of section 554 of title 37, United States Code, is amended by striking ''one privately owned motor vehicle'' both places it appears and inserting ''two privately owned motor vehicles''.

(b) PAYMENTS FOR LATE DELIVERY.—Subsection (i) of such section is amended by adding at the end the following: ''In a case in which two motor vehicles of a member (or the dependent or dependents of a member) are transported at the expense of the United States, no reimbursement is payable under this subsection unless both motor vehicles do not arrive at the authorized destination of the vehicles by the designated delivery date.''.

(c) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to members whose eligibility for benefits under section 554 of title 37, United States Code, commences on or after the date of the enactment of this Act.

SEC. 633. DESTINATIONS AUTHORIZED FOR GOVERNMENT PAID TRANSPORTATION OF ENLISTED PERSONNEL FOR REST AND RECUPERATION UPON EXTENDING DUTY AT DESIGNATED OVERSEAS LOCATIONS.

Section 705(b)(2) of title 10, United States Code, is amended by inserting before the period at the end the following: '', or to an alternative destination at a cost not to exceed the cost of the round-trip transportation from the location of the extended tour of duty to such nearest port and return''.

SEC. 634. VEHICLE STORAGE IN LIEU OF TRANSPORTATION TO CERTAIN AREAS OF THE UNITED STATES OUTSIDE CONTINENTAL UNITED STATES.

Section 2634(b) of title 10, United States Code, is amended:

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively; and

(2) by inserting after paragraph (1) the following new paragraph (2):

''(2) In lieu of transportation authorized by this section, if a member is ordered to make a change of permanent station to Alaska, Hawaii, Puerto Rico, the Northern Mariana Islands, Guam, or any territory or possession of the United States and laws, regulations, or other restrictions preclude transportation of a motor vehicle described in subsection (a) to the new station, the member may elect to have the vehicle stored at the expense of the United States at a location approved by the Secretary concerned.''.

Subtitle D—Retirement and Survivor Benefit Matters

SEC. 641. PAYMENT OF RETIRED PAY AND COMPENSATION TO DISABLED MILITARY RETIREES.

(a) IN GENERAL.—Section 1414 of title 10, United States Code, is amended to read as follows:

''§ 1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation

''(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—Except as provided in subsection (b), a member or former member of the uniformed services who is entitled to retired pay (other than as specified in subsection (c)) and who is also entitled to veterans' disability compensation is entitled to be paid both without regard to sections 5304 and 5305 of title 38.

''(b) SPECIAL RULE FOR CHAPTER 61 CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

''(c) EXCEPTION.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title at the time of the member's retirement.

''(d) DEFINITIONS.—In this section:

''(1) The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

''(2) The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.''.

(b) REPEAL OF SPECIAL COMPENSATION PROGRAM.—Section 1413 of such title is repealed.

(c) CONFORMING AMENDMENT.—Section 641(d) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1150; 10 U.S.C. 1414 note) is repealed.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 71 of title 10, United States Code, is amended by striking the items relating to sections 1413 and 1414 and inserting the following new item:

''1414. Members eligible for retired pay who have service-connected disabilities: payment of retired pay and veterans' disability compensation.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on—

(1) the first day of the first month that begins after the date of the enactment of this Act; or

(2) the first day of the fiscal year that begins in the calendar year in which this Act is enacted, if later than the date specified in paragraph (1).

(f) PROHIBITION ON RETROACTIVE BENEFITS.—No benefits may be paid to any person by reason of section 1414 of title 10, United States Code, as amended by subsection (a), for any period before the effective date specified in subsection (e).

SEC. 642. INCREASED RETIRED PAY FOR ENLISTED RESERVES CREDITED WITH EXTRAORDINARY HEROISM.

(a) AUTHORITY.—Section 12739 of title 10, United States Code, is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively;

(2) by inserting after subsection (a) the following new subsection (b):

''(b) If an enlisted member retired under section 12731 of this title has been credited by the Secretary concerned with extraordinary heroism in the line of duty, the member's retired pay shall be increased by 10 percent of the amount determined under subsection (a). The Secretary's determination as to extraordinary heroism is conclusive for all purposes.''; and

(3) in subsection (c), as redesignated by paragraph (1), by striking ''amount computed under subsection (a),'' and inserting ''total amount of the monthly retired pay computed under subsections (a) and (b)''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to retired pay for months beginning on or after that date.

SEC. 643. EXPANDED SCOPE OF AUTHORITY TO WAIVE TIME LIMITATIONS ON CLAIMS FOR MILITARY PERSONNEL BENEFITS.

(a) AUTHORITY.—Section 3702(e)(1) of title 31, United States Code, is amended by striking ''a claim for pay, allowances, or payment for unused accrued leave under title 37 or a claim for retired pay under title 10'' and inserting ''a claim referred to in subsection (a)(1)(A)''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to claims presented to the Secretary of Defense under section 3702 of title 31, United States Code, on or after the date of the enactment of this Act.

Subtitle E—Other Matters

SEC. 651. ADDITIONAL AUTHORITY TO PROVIDE ASSISTANCE FOR FAMILIES OF MEMBERS OF THE ARMED FORCES.

(a) AUTHORITY.—(1) Subchapter I of chapter 88 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1788. Additional family assistance

''(a) AUTHORITY.—The Secretary of Defense may provide for the families of members of the armed forces serving on active duty, in addition to any other assistance available for such families, any assistance that the Secretary considers appropriate to ensure that the children of such members obtain needed child care, education, and other youth services.

''(b) PRIMARY PURPOSE OF ASSISTANCE.—The assistance authorized by this section should be directed primarily toward providing needed family support, including child care, education, and other youth services, for children of members of the Armed Forces who are deployed, assigned to duty, or ordered to active duty in connection with a contingency operation.''.

(2) The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

''1788. Additional family assistance.''.

(b) EFFECTIVE DATE.—Section 1788 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2002.

SEC. 652. TIME LIMITATION FOR USE OF MONTGOMERY GI BILL ENTITLEMENT BY MEMBERS OF THE SELECTED RESERVE.

(a) EXTENSION OF LIMITATION PERIOD.—Section 16133(a)(1) of title 10, United States Code, is amended by striking ''10-year'' and inserting ''14-year''.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to periods of entitlement to educational assistance under chapter 1606 of title 10, United States Code, that begin on or after October 1, 1992.

SEC. 653. STATUS OF OBLIGATION TO REFUND EDUCATIONAL ASSISTANCE UPON FAILURE TO PARTICIPATE SATISFACTORILY IN SELECTED RESERVE.

Section 16135 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c)(1) An obligation to pay a refund to the United States under subsection (a)(1)(B) in an amount determined under subsection (b) is, for all purposes, a debt owed to the United States.

''(2) A discharge in bankruptcy under title 11 that is entered for a person less than five years after the termination of the person's enlistment or other service described in subsection (a) does not discharge the person from a debt arising under this section with respect to that enlistment or other service.''.

SEC. 654. PROHIBITION ON ACCEPTANCE OF HONORARIA BY PERSONNEL AT CERTAIN DEPARTMENT OF DEFENSE SCHOOLS.

(a) REPEAL OF EXEMPTION.—Section 542 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2413; 10 U.S.C. prec. 2161 note) is repealed.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendment made by subsection (a) shall take effect on October 1, 2002, and shall apply with respect to appearances made, speeches presented, and articles published on or after that date.

SEC. 655. RATE OF EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL OF DEPENDENTS TRANSFERRED ENTITLEMENT BY MEMBERS OF THE ARMED FORCES WITH CRITICAL SKILLS.

(a) CLARIFICATION.—Section 3020(h) of title 38, United States Code, is amended—

(1) in paragraph (2)—

(A) by striking ''paragraphs (4) and (5)'' and inserting ''paragraphs (5) and (6)''; and

(B) by striking ''and at the same rate'';

(2) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3)(A) Subject to subparagraph (B), the monthly rate of educational assistance payable to a dependent to whom entitlement is transferred under this section shall be the monthly amount payable under sections 3015 and 3022 of this title to the individual making the transfer.

''(B) The monthly rate of assistance payable to a dependent under subparagraph (A) shall be subject to the provisions of section 3032 of this title, except that the provisions of subsection (a)(1) of that section shall not apply even if the individual making the transfer to the dependent under this section is on active duty during all or any part of enrollment period of the dependent in which such entitlement is used.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107), to which such amendments relate.

SEC. 656. PAYMENT OF INTEREST ON STUDENT LOANS.

(a) AUTHORITY.—(1) Chapter 109 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2174. Interest payment program: members on active duty

''(a) AUTHORITY.—(1) The Secretary concerned may pay in accordance with this section the interest and any special allowances that accrue on one or more student loans of an eligible member of the armed forces.

''(2) The Secretary of a military department may exercise the authority under paragraph (1) only if approved by the Secretary of Defense and subject to such requirements, conditions, and restrictions as the Secretary of Defense may prescribe.

''(b) ELIGIBLE PERSONNEL.—A member of the armed forces is eligible for the benefit under subsection (a) while the member—

''(1) is serving on active duty in fulfillment of the member's first enlistment in the armed forces or, in the case of an officer, is serving on active duty and has not completed more than three years of service on active duty;

''(2) is the debtor on one or more unpaid loans described in subsection (c); and

''(3) is not in default on any such loan.

''(c) STUDENT LOANS.—The authority to make payments under subsection (a) may be exercised with respect to the following loans:

''(1) A loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.).

''(2) A loan made under part D of such title (20 U.S.C. 1087a et seq.).

''(3) A loan made under part E of such title (20 U.S.C. 1087aa et seq.).

''(d) MAXIMUM BENEFIT.—The months for which interest and any special allowance may be paid on behalf of a member of the armed forces under this section are any 36 consecutive months during which the member is eligible under subsection (b).

''(e) FUNDS FOR PAYMENTS.—Appropriations available for the pay and allowances of military personnel shall be available for payments under this section.

''(f) COORDINATION.—(1) The Secretary of Defense and, with respect to the Coast Guard when it is not operating as a service in the Navy, the Secretary of Transportation shall consult with the Secretary of Education regarding the administration of the authority under this section.

''(2) The Secretary concerned shall transfer to the Secretary of Education the funds necessary—

''(A) to pay interest and special allowances on student loans under this section (in accordance with sections 428(o) and 464(j) of the Higher Education Act of 1965 (20 U.S.C. 1078(o) and 1087dd(j)); and

''(B) to reimburse the Secretary of Education for any reasonable administrative costs incurred by the Secretary in coordinating the program under this section with the administration of the student loan programs under parts B, D, and E of title IV of the Higher Education Act of 1965.

''(g) SPECIAL ALLOWANCE DEFINED.—In this section, the term 'special allowance' means a special allowance that is payable under section 438 of the Higher Education Act of 1965 (20 U.S.C. 1087–1).''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2174. Interest payment program: members on active duty.''.

(b) FEDERAL FAMILY EDUCATION LOANS AND DIRECT LOANS.—(1) Subsection (c)(3) of section 428 of the Higher Education Act of 1965 (20 U.S.C. 1078) is amended—

(A) in clause (i) of subparagraph (A)—

(i) by striking ''or'' at the end of subclause (II);

(ii) by inserting ''or'' at the end of subclause (III); and

(iii) by adding at the end the following new subclause:

''(IV) is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest is being paid on such loan under subsection (o);'';

(B) in clause (ii)(II) of subparagraph (A), by inserting ''or (i)(IV)'' after ''clause (i)(II)''; and

(C) by striking subparagraph (C) and inserting the following:

''(C) shall contain provisions that specify that—

''(i) the form of forbearance granted by the lender pursuant to this paragraph, other than subparagraph (A)(i)(IV), shall be temporary cessation of payments, unless the borrower selects

forbearance in the form of an extension of time for making payments, or smaller payments than were previously scheduled; and

''(ii) the form of forbearance granted by the lender pursuant to subparagraph (A)(i)(IV) shall be the temporary cessation of all payments on the loan other than payments of interest on the loan, and payments of any special allowance payable with respect to the loan under section 438 of this Act, that are made under subsection (o); and''.

(2) Section 428 of such Act is further amended by adding at the end the following new subsection:

''(o) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

''(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest and any special allowance on a loan to a member of the Armed Forces that is made, insured, or guaranteed under this part, the Secretary shall pay the interest and special allowance on such loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest or any special allowance on such a loan out of any funds other than funds that have been so transferred.

''(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the lender shall grant the borrower forbearance in accordance with the guaranty agreement under subsection (c)(3)(A)(i)(IV).

''(3) SPECIAL ALLOWANCE DEFINED.—For the purposes of this subsection, the term 'special allowance', means a special allowance that is payable with respect to a loan under section 438 of this Act.''.

(c) FEDERAL PERKINS LOANS.—Section 464 of the Higher Education Act of 1965 (20 U.S.C. 1087dd) is amended—

(1) in subsection (e)—

(A) by striking ''or'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; or''; and

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

''(3) the borrower is eligible for interest payments to be made on such loan for service in the Armed Forces under section 2174 of title 10, United States Code, and, pursuant to that eligibility, the interest on such loan is being paid under subsection (j), except that the form of a forbearance under this paragraph shall be a temporary cessation of all payments on the loan other than payments of interest on the loan that are made under subsection (j).''; and

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

''(j) ARMED FORCES STUDENT LOAN INTEREST PAYMENT PROGRAM.—

''(1) AUTHORITY.—Using funds received by transfer to the Secretary under section 2174 of title 10, United States Code, for the payment of interest on a loan made under this part to a member of the Armed Forces, the Secretary shall pay the interest on the loan as due for a period not in excess of 36 consecutive months. The Secretary may not pay interest on such a loan out of any funds other than funds that have been so transferred.

''(2) FORBEARANCE.—During the period in which the Secretary is making payments on a loan under paragraph (1), the institution of higher education shall grant the borrower forbearance in accordance with subsection (e)(3).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to interest, and any special allowance under section 438 of the Higher Education Act of 1965, that accrue for months beginning on or after October 1, 2003, on student loans described in subsection (c) of section 2174 of title 10, United States Code (as added by subsection (a)), that were made before, on, or after such date to members of the Armed Forces who are on active duty (as defined in section 101(d) of title 10, United States Code) on or after that date.

SEC. 657. MODIFICATION OF AMOUNT OF BACK PAY FOR MEMBERS OF NAVY AND MARINE CORPS SELECTED FOR PROMOTION WHILE INTERNED AS PRISONERS OF WAR DURING WORLD WAR II TO TAKE INTO ACCOUNT CHANGES IN CONSUMER PRICE INDEX.

(a) MODIFICATION.—Section 667(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–170) is amended by adding at the end the following new paragraph:

''(3) The amount determined for a person under paragraph (1) shall be increased to reflect increases in cost of living since the basic pay referred to in paragraph (1)(B) was paid to or for that person, calculated on the basis of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.''.

(b) RECALCULATION OF PREVIOUS PAYMENTS.—In the case of any payment of back pay made to or for a person under section 667 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 before the date of the enactment of this Act, the Secretary of the Navy shall—

(1) recalculate the amount of back pay to which the person is entitled by reason of the amendment made by subsection (a); and

(2) if the amount of back pay, as so recalculated, exceeds the amount of back pay so paid, pay the person, or the surviving spouse of the person, an amount equal to the excess.

TITLE VII—HEALTH CARE

SEC. 701. ELIGIBILITY OF SURVIVING DEPENDENTS FOR TRICARE DENTAL PROGRAM BENEFITS AFTER DISCONTINUANCE OF FORMER ENROLLMENT.

Section 1076a(k)(2) of title 10, United States Code, is amended by striking ''if the dependent is enrolled on the date of the death of the members in a dental benefits plan established under subsection (a)'' and inserting ''if, on the date of the death of the member, the dependent is enrolled in a dental benefits plan established under subsection (a) or is not enrolled in such a plan by reason of a discontinuance of a former enrollment under subsection (f)''.

SEC. 702. ADVANCE AUTHORIZATION FOR INPATIENT MENTAL HEALTH SERVICES.

Section 1079(i)(3) of title 10, United States Code, is amended—

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

(2) by striking ''Except in the case of an emergency,'' and inserting ''Except as provided in subparagraphs (B) and (C),''; and

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

''(B) Preadmission authorization for inpatient mental health services is not required under subparagraph (A) in the case of an emergency.

''(C) Preadmission authorization for inpatient mental health services is not required under subparagraph (A) in a case in which any benefits are payable for such services under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.). The Secretary shall require, however, advance authorization for the continued provision of the inpatient mental health services after benefits cease to be payable for such services under part A of such title in such case.''.

SEC. 703. CONTINUED TRICARE ELIGIBILITY OF DEPENDENTS RESIDING AT REMOTE LOCATIONS AFTER DEPARTURE OF SPONSORS FOR UNACCOMPANIED ASSIGNMENTS.

Section 1079(p) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''dependents referred to in subsection (a) of a member of the uniformed services referred to in section 1074(c)(3) of this title who are residing with the member'' and inserting ''dependents described in paragraph (3)'';

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2), the following new paragraph (3):

''(3) This subsection applies with respect to a dependent referred to in subsection (a) who—

''(A) is a dependent of a member of the uniformed services referred to in section 1074(c)(3) of this title and is residing with the member; or

''(B) is a dependent of a member who, after having served in a duty assignment described in section 1074(c)(3) of this title, has relocated without the dependent pursuant to orders for a permanent change of duty station from a remote location described in subparagraph (B)(ii) of such section where the member and the dependent resided together while the member served in such assignment, if the orders do not authorize dependents to accompany the member to the new duty station at the expense of the United States and the dependent continues to reside at the same remote location.''.

SEC. 704. APPROVAL OF MEDICARE PROVIDERS AS TRICARE PROVIDERS.

Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(q) A physician or other health care practitioner who is eligible to receive reimbursement for services provided under the Medicare Program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) shall be considered approved to provide medical care under this section and section 1086 of this title.''.

SEC. 705. CLAIMS INFORMATION.

(a) CORRESPONDENCE TO MEDICARE CLAIMS INFORMATION REQUIREMENTS.—Section 1095c of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) CORRESPONDENCE TO MEDICARE CLAIMS INFORMATION REQUIREMENTS.—The Secretary of Defense, in consultation with the other administering Secretaries, shall limit the requirements for information in support of claims for payment for health care items and services provided under the TRICARE program so that the information required under the program is substantially the same as the information that would be required for claims for reimbursement for those items and services under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).''.

(b) APPLICABILITY.—The Secretary of Defense, in consultation with the other administering Secretaries referred to in section 1072(3) of title 10, United States Code, shall apply the limitations required under subsection (d) of section 1095c of such title (as added by subsection (a)) with respect to contracts entered into under the TRICARE program on or after October 1, 2002.

SEC. 706. DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) SOURCE OF FUNDS FOR MONTHLY ACCRUAL PAYMENTS INTO THE FUND.—Section 1116(c) of title 10, United States Code, is amended by striking ''health care programs'' and inserting ''pay of members''.

(b) MANDATORY PARTICIPATION OF OTHER UNIFORMED SERVICES.—Section 1111(c) of such title is amended—

(1) in the first sentence, by striking ''may enter into an agreement with any other administering Secretary'' and inserting ''shall enter into an agreement with each other administering Secretary''; and

(2) in the second sentence, by striking ''Any such'' and inserting ''The''.

SEC. 707. TECHNICAL CORRECTIONS RELATING TO TRANSITIONAL HEALTH CARE FOR MEMBERS SEPARATED FROM ACTIVE DUTY.

(a) CONTINUED APPLICABILITY TO DEPENDENTS.—Subsection (a)(1) of section 736 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1172) is amended to read as follows:

''(1) in paragraph (1), by striking 'paragraph (2), a member' and all that follows through 'of the member),' and inserting 'paragraph (3), a member of the armed forces who is separated from active duty as described in paragraph (2) (and the dependents of the member)';''.

(b) CLARIFICATION REGARDING THE COAST GUARD.—Subsection (b)(2) of such section is amended to read as follows:

''(2) in subsection (e)—

''(A) by striking the first sentence; and

''(B) by striking 'the Coast Guard' in the second sentence and inserting 'the members of the Coast Guard and their dependents'.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of December 28, 2001, and as if included in the National Defense Authorization Act for Fiscal Year 2002 as enacted.

SEC. 708. EXTENSION OF TEMPORARY AUTHORITY FOR ENTERING INTO PERSONAL SERVICES CONTRACTS FOR THE PERFORMANCE OF HEALTH CARE RESPONSIBILITIES FOR THE ARMED FORCES AT LOCATIONS OTHER THAN MILITARY MEDICAL TREATMENT FACILITIES.

Section 1091(a)(2) of title 10, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 709. RESTORATION OF PREVIOUS POLICY REGARDING RESTRICTIONS ON USE OF DEPARTMENT OF DEFENSE MEDICAL FACILITIES.

Section 1093 of title 10, United States Code, is amended—

(1) by striking subsection (b); and

(2) in subsection (a), by striking ''RESTRICTION ON USE OF FUNDS.—''.

SEC. 710. HEALTH CARE UNDER TRICARE FOR TRICARE BENEFICIARIES RECEIVING MEDICAL CARE AS VETERANS FROM THE DEPARTMENT OF VETERANS AFFAIRS.

Section 1097 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) PERSONS RECEIVING MEDICAL CARE FROM THE DEPARTMENT OF VETERANS AFFAIRS.—A covered beneficiary who is enrolled in and seeks care under the TRICARE program may not be denied such care on the ground that the covered beneficiary is receiving health care from the Department of Veterans Affairs on an ongoing basis if the Department of Veterans Affairs cannot provide the covered beneficiary with the particular care sought by the covered beneficiary within the maximum period provided in the access to care standards that are applicable to that particular care under TRICARE program policy.''.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Subtitle A—Major Defense Acquisition Programs

SEC. 801. BUY-TO-BUDGET ACQUISITION OF END ITEMS.

(a) AUTHORITY.—(1) Chapter 131 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2228. Buy-to-budget acquisition: end items

''(a) AUTHORITY TO ACQUIRE ADDITIONAL END ITEMS.—Using funds available to the Department of Defense for the acquisition of an end item, the head of agency making the acquisition may acquire a higher quantity of the end item than the quantity specified for the end item in a law providing for the funding of that acquisition if that head of an agency makes each of the following findings:

''(1) The agency has an established requirement for the end item that is expected to remain substantially unchanged throughout the period of the acquisition.

''(2) It is possible to acquire the higher quantity of the end item without additional funding because of production efficiencies or other cost reductions.

''(3) The amount of the funds used for the acquisition of the higher quantity of the end item will not exceed the amount provided under that law for the acquisition of the end item.

''(4) The amount so provided is sufficient to ensure that each unit of the end item acquired within the higher quantity is fully funded as a complete end item.

''(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations for the administration of this section. The regulations shall include, at a minimum, the following:

''(1) The level of approval within the Department of Defense that is required for a decision to acquire a higher quantity of an end item under subsection (a).

''(2) Authority to exceed by up to 10 percent the quantity of an end item approved in a justification and approval of the use of procedures other than competitive procedures for the acquisition of the end item under section 2304 of this title, but only to the extent necessary to acquire a quantity of the end item permitted in the exercise of authority under subsection (a).

''(c) NOTIFICATION OF CONGRESS.—The head of an agency is not required to notify Congress in advance regarding a decision under the authority of this section to acquire a higher quantity of an end item than is specified in a law described in subsection (a), but shall notify the congressional defense committees of the decision not later than 30 days after the date of the decision.

''(d) WAIVER BY OTHER LAW.—A provision of law may not be construed as prohibiting the acquisition of a higher quantity of an end item under this section unless that provision of law—

''(1) specifically refers to this section; and

''(2) specifically states that the acquisition of the higher quantity of the end item is prohibited notwithstanding the authority provided in this section.

''(e) DEFINITIONS.—(1) For the purposes of this section, a quantity of an end item shall be considered specified in a law if the quantity is specified either in a provision of that law or in any related representation that is set forth separately in a table, chart, or explanatory text included in a joint explanatory statement or governing committee report accompanying the law.

''(2) In this section:

''(A) The term 'congressional defense committees' means—

''(i) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(ii) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

''(B) The term 'head of an agency' means the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2228. Buy-to-budget acquisition: end items.''.

(b) TIME FOR ISSUANCE OF FINAL REGULATIONS.—The Secretary of Defense shall issue the final regulations under section 2228(b) of title 10, United States Code (as added by subsection (a)), not later than 120 days after the date of the enactment of this Act.

SEC. 802. REPORT TO CONGRESS ON INCREMENTAL ACQUISITION OF MAJOR SYSTEMS.

(a) REPORT REQUIRED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the congressional defense committees a report on the approach that the Secretary plans to take to applying the requirements of chapter 144 of title 10, United States Code, sections 139, 181, 2366, 2399, and 2400 of such title, Department of Defense Directive 5000.1, Department of Defense Instruction 5000.2, and Chairman of the Joint Chiefs of Staff Instruction 3170.01B, and other provisions of law and regulations applicable to incremental acquisition programs.

(b) CONTENT OF REPORT.—The report shall, at a minimum, address the following matters:

(1) The manner in which the Secretary plans to establish and approve, for each increment of an incremental acquisition program—

(A) operational requirements; and

(B) cost and schedule goals.

(2) The manner in which the Secretary plans, for each increment of an incremental acquisition program—

(A) to meet requirements for operational testing and live fire testing;

(B) to monitor cost and schedule performance; and

(C) to comply with laws requiring reports to Congress on results testing and on cost and schedule performance.

(3) The manner in which the Secretary plans to ensure that each increment of an incremental acquisition program is designed—

(A) to achieve interoperability within and among United States forces and United States coalition partners; and

(B) to optimize total system performance and minimize total ownership costs by giving appropriate consideration to—

(i) logistics planning;

(ii) manpower, personnel, and training;

(iii) human, environmental, safety, occupational health, accessibility, survivability, operational continuity, and security factors;

(iv) protection of critical program information; and

(v) spectrum management.

(c) DEFINITIONS.—In this section:

(1) The term ''incremental acquisition program'' means an acquisition program that is to be conducted in discrete phases or blocks, with each phase or block consisting of the planned production and acquisition of one or more units of a major system.

(2) The term ''increment'' refers to one of the discrete phases or blocks of an incremental acquisition program.

(3) The term ''major system'' has the meaning given such term in section 2302(5) of title 10, United States Code.

SEC. 803. PILOT PROGRAM FOR SPIRAL DEVELOPMENT OF MAJOR SYSTEMS.

(a) AUTHORITY.—The Secretary of Defense is authorized to conduct a pilot program for the spiral development of major systems and to designate research and development programs of the military departments and Defense Agencies to participate in the pilot program.

(b) DESIGNATION OF PARTICIPATING PROGRAMS.—(1) A research and development program for a major system of a military department or Defense Agency may be conducted as a spiral development program only if the Secretary of Defense approves a spiral development plan submitted by the Secretary of that military department or head of that Defense Agency, as the case may be, and designates the program as a participant in the pilot program under this section.

(2) The Secretary of Defense shall submit a copy of each spiral development plan approved under this section to the congressional defense committees.

(c) SPIRAL DEVELOPMENT PLANS.—A spiral development plan for a participating program shall, at a minimum, include the following matters:

(1) A rationale for dividing the program into separate spirals, together with a preliminary identification of the spirals to be included.

(2) A program strategy, including overall cost, schedule, and performance goals for the total program.

(3) Specific cost, schedule, and performance parameters, including measurable exit criteria, for the first spiral to be conducted.

(4) A testing plan to ensure that performance goals, parameters, and exit criteria are met.

(5) An appropriate limitation on the number of prototype units that may be produced under the program.

(6) Specific performance parameters, including measurable exit criteria, that must be met before the program proceeds into production of units in excess of the limitation on the number of prototype units.

(d) GUIDANCE.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance for the implementation of the spiral development pilot program authorized by this section. The guidance shall, at a minimum, include the following matters:

(1) A process for the development, review, and approval of each spiral development plan submitted by the Secretary of a military department or head of a Defense Agency.

(2) A process for establishing and approving specific cost, schedule, and performance parameters, including measurable exit criteria, for spirals to be conducted after the first spiral.

(3) Appropriate planning, testing, reporting, oversight, and other requirements to ensure that the spiral development program—

(A) satisfies realistic and clearly-defined performance standards, cost objectives, and schedule parameters (including measurable exit criteria for each spiral);

(B) achieve interoperability within and among United States forces and United States coalition partners; and

(C) optimize total system performance and minimize total ownership costs by giving appropriate consideration to—

(i) logistics planning;

(ii) manpower, personnel, and training;

(iii) human, environmental, safety, occupational health, accessibility, survivability, operational continuity, and security factors;

(iv) protection of critical program information; and

(v) spectrum management.

(4) A process for independent validation of the satisfaction of exit criteria and other relevant requirements.

(5) A process for operational testing of fieldable prototypes to be conducted before or in conjunction with the fielding of the prototypes.

(e) REPORTING REQUIREMENT.—The Secretary shall submit to Congress at the end of each quarter of a fiscal year a status report on each research and development program that is a participant in the pilot program. The report shall contain information on unit costs that is similar to the information on unit costs under major defense acquisition programs that is required to be provided to Congress under chapter 144 of title 10, United States Code, except that the information on unit costs shall address projected prototype costs instead of production costs.

(f) APPLICABILITY OF EXISTING LAW.—Nothing in this section shall be construed to exempt any program of the Department of Defense from the application of any provision of chapter 144 of title 10, United States Code, section 139, 181, 2366, 2399, or 2400 of such title, or any requirement under Department of Defense Directive 5000.1, Department of Defense Instruction 5000.2, or Chairman of the Joint Chiefs of Staff Instruction 3170.01B in accordance with the terms of such provision or requirement.

(g) TERMINATION OF PROGRAM PARTICIPATION.—The conduct of a participating program as a spiral development program under the pilot program shall terminate when the decision is made for the participating program to proceed into the production of units in excess of the number of prototype units permitted under the limitation provided in spiral development plan for the program pursuant to subsection (c)(5).

(h) TERMINATION OF PILOT PROGRAM.—(1) The authority to conduct a pilot program under this section shall terminate three years after the date of the enactment of this Act.

(2) The termination of the pilot program shall not terminate the authority of the Secretary of a military department or head of a Defense Agency to continue to conduct, as a spiral development program, any research and development program that was designated to participate in the pilot program before the date on which the pilot program terminates. In the continued conduct of such a research and development program as a spiral development program on and after such date, the spiral development plan approved for the program, the guidance issued under subsection (d), and subsections (e), (f), and (g) shall continue to apply.

(i) DEFINITIONS.—In this section:

(1) The term ''spiral development program'' means a research and development program that—

(A) is conducted in discrete phases or blocks, each of which will result in the development of fieldable prototypes; and

(B) will not proceed into acquisition until specific performance parameters, including measurable exit criteria, have been met.

(2) The term ''spiral'' means one of the discrete phases or blocks of a spiral development program.

(3) The term ''major system'' has the meaning given such term in section 2302(5) of title 10, United States Code.

(4) The term ''participating program'' means a research and development program that is designated to participate in the pilot program under subsection (b).

SEC. 804. IMPROVEMENT OF SOFTWARE ACQUISITION PROCESSES.

(a) ESTABLISHMENT OF PROGRAMS.—(1) The Secretary of each military department shall establish a program to improve the software acquisition processes of that military department.

(2) The head of each Defense Agency that manages a major defense acquisition program with a substantial software component shall establish a program to improve the software acquisition processes of that Defense Agency.

(3) The programs required by this subsection shall be established not later than 120 days after the date of the enactment of this Act.

(b) PROGRAM REQUIREMENTS.—A program to improve software acquisition processes under this section shall, at a minimum, include the following:

(1) A documented process for software acquisition planning, requirements development and management, project management and oversight, and risk management.

(2) Efforts to develop systems for performance measurement and continual process improvement.

(3) A system for ensuring that each program office with substantial software responsibilities implements and adheres to established processes and requirements.

(c) DEPARTMENT OF DEFENSE GUIDANCE.—The Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, in consultation with the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall—

(1) prescribe uniformly applicable guidance for the administration of all of the programs established under subsection (a) and take such actions as are necessary to ensure that the military departments and Defense Agencies comply with the guidance; and

(2) assist the Secretaries of the military departments and the heads of the Defense Agencies to carry out such programs effectively by identifying, and serving as a clearinghouse for information regarding, best practices in software acquisition processes in both the public and private sectors.

(d) DEFINITIONS.—In this section:

(1) The term ''Defense Agency'' has the meaning given the term in section 101(a)(11) of title 10, United States Code.

(2) The term ''major defense acquisition program'' has the meaning given the term in section 2430 of title 10, United States Code.

SEC. 805. INDEPENDENT TECHNOLOGY READINESS ASSESSMENTS.

Section 804(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1180) is amended—

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

(2) by striking the period at the end of paragraph (2) and inserting ''; and''; and

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

''(3) identify each case in which an authoritative decision has been made within the Department of Defense not to conduct an independent technology readiness assessment for a critical technology on a major defense acquisition program and explain the reasons for the decision.''.

SEC. 806. TIMING OF CERTIFICATION IN CONNECTION WITH WAIVER OF SURVIVABILITY AND LETHALITY TESTING REQUIREMENTS.

(a) CERTIFICATION FOR EXPEDITED PROGRAMS.—Paragraph (1) of subsection (c) of section 2366 of title 10, United States Code, is amended to read as follows:

''(1) The Secretary of Defense may waive the application of the survivability and lethality tests of this section to a covered system, munitions program, missile program, or covered product improvement program if the Secretary determines that live-fire testing of such system or program would be unreasonably expensive and impractical and submits a certification of that determination to Congress—

''(A) before Milestone B approval for the system or program; or

''(B) in the case of a system or program initiated at—

''(i) Milestone B, as soon as is practicable after the Milestone B approval; or

''(ii) Milestone C, as soon as is practicable after the Milestone C approval.''.

(b) DEFINITIONS.—Subsection (e) of such section is amended by adding at the end the following new paragraphs:

''(8) The term 'Milestone B approval' means a decision to enter into system development and demonstration pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.

''(9) The term 'Milestone C approval' means a decision to enter into production and deployment pursuant to guidance prescribed by the Secretary of Defense for the management of Department of Defense acquisition programs.''.

Subtitle B—Procurement Policy Improvements

SEC. 811. PERFORMANCE GOALS FOR CONTRACTING FOR SERVICES.

(a) INDIVIDUAL PURCHASES OF SERVICES.—Subsection (a) of section 802 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 2330 note) is amended by adding at the end the following new paragraphs:

''(3) To support the attainment of the goals established in paragraph (2), the Department of Defense shall have the following goals:

''(A) To increase, as a percentage of all of the individual purchases of services made by or for the Department of Defense under multiple award contracts for a fiscal year (calculated on the basis of dollar value), the volume of the individual purchases of services that are made on a competitive basis and involve the receipt of two or more offers from qualified contractors to a percentage as follows:

''(i) For fiscal year 2003, a percentage not less than 50 percent.

''(ii) For fiscal year 2004, a percentage not less than 60 percent.

''(iii) For fiscal year 2011, a percentage not less than 80 percent.

''(B) To increase, as a percentage of all of the individual purchases of services made by or for the Department of Defense under multiple award contracts for a fiscal year (calculated on

the basis of dollar value), the use of performance-based purchasing specifying firm fixed prices for the specific tasks to be performed to a percentage as follows:

''(i) For fiscal year 2003, a percentage not less than 30 percent.

''(ii) For fiscal year 2004, a percentage not less than 40 percent.

''(iii) For fiscal year 2005, a percentage not less than 50 percent.

''(iv) For fiscal year 2011, a percentage not less than 80 percent.''.

(b) EXTENSION AND REVISION OF REPORTING REQUIREMENT.—Subsection (b) of such section is amended—

(1) by striking ''March 1, 2006'', and inserting ''March 1, 2011''; and

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

''(6) Regarding the individual purchases of services that were made by or for the Department of Defense under multiple award contracts in the fiscal year preceding the fiscal year in which the report is required to be submitted, information (determined using the data collection system established under section 2330a of title 10, United States Code) as follows:

''(A) The percentage (calculated on the basis of dollar value) of such purchases that are purchases that were made on a competitive basis and involved receipt of two or more offers from qualified contractors.

''(B) The percentage (calculated on the basis of dollar value) of such purchases that are performance-based purchases specifying firm fixed prices for the specific tasks to be performed.''.

(c) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

''(c) DEFINITIONS.—In this section:

''(1) The term 'individual purchase' means a task order, delivery order, or other purchase.

''(2) The term 'multiple award contract' means—

''(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

''(B) a multiple award task order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

''(C) any other indefinite delivery, indefinite quantity contract that is entered into by the head of a Federal agency with two or more sources pursuant to the same solicitation.''.

SEC. 812. GRANTS OF EXCEPTIONS TO COST OR PRICING DATA CERTIFICATION REQUIREMENTS AND WAIVERS OF COST ACCOUNTING STANDARDS.

(a) GUIDANCE FOR EXCEPTIONS IN EXCEPTIONAL CIRCUMSTANCES.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall issue guidance on the circumstances under which it is appropriate to grant—

(A) an exception pursuant to section 2306a(b)(1)(C) of title 10, United States Code, relating to submittal of certified contract cost and pricing data; or

(B) a waiver pursuant to section 26(f)(5)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 422(f)(5)(B)), relating to the applicability of cost accounting standards to contracts and subcontracts.

(2) The guidance shall, at a minimum, include a limitation that a grant of an exception or waiver referred to in paragraph (1) is appropriate with respect to a contract or subcontract, or (in the case of submittal of certified cost and pricing data) a modification, only upon a determination that the property or services cannot be obtained under the contract, subcontract, or modification, as the case may be, without the grant of the exception or waiver.

(b) SEMIANNUAL REPORT.—(1) The Secretary of Defense shall transmit to the congressional defense committees promptly after the end of each half of a fiscal year a report on the exceptions to cost or pricing data certification requirements and the waivers of applicability of cost accounting standards that, in cases described in paragraph (2), were granted during that half of the fiscal year.

(2) The report for a half of a fiscal year shall include an explanation of—

(A) each decision by the head of a procuring activity within the Department of Defense to exercise the authority under subparagraph (B) or (C) of subsection (b)(1) of section 2306a of title 10, United States Code, to grant an exception to the requirements of such section in the case of a contract, subcontract, or contract or subcontract modification that is expected to have a price of $15,000,000 or more; and

(B) each decision by the Secretary of Defense or the head of an agency within the Department of Defense to exercise the authority under subsection (f)(5)(B) of section 26 of the Office of Federal Procurement Policy Act to waive the applicability of the cost accounting standards under such section in the case of a contract or subcontract that is expected to have a value of $15,000,000 or more.

(c) ADVANCE NOTIFICATION OF CONGRESS.—(1) The Secretary of Defense shall transmit to the congressional defense committees an advance notification of—

(A) any decision by the head of a procuring activity within the Department of Defense to exercise the authority under subsection (b)(1)(C) of section 2306a of title 10, United States Code, to grant an exception to the requirements of such section in the case of a contract, subcontract, or contract or subcontract modification that is expected to have a price of $75,000,000 or more; or

(B) any decision by the Secretary of Defense or the head of an agency within the Department of Defense to exercise the authority under subsection (f)(5)(B) of section 26 of the Office of Federal Procurement Policy Act to waive the applicability of the cost accounting standards under such section to a contract or subcontract that is expected to have a value of $75,000,000 or more.

(2) The notification under paragraph (1) regarding a decision to grant an exception or waiver shall be transmitted not later than 10 days before the exception or waiver is granted.

(d) CONTENTS OF REPORTS AND NOTIFICATIONS.—A report pursuant to subsection (b) and a notification pursuant to subsection (c) shall include, for each grant of an exception or waiver, the following matters:

(1) A discussion of the justification for the grant of the exception or waiver, including at a minimum—

(A) in the case of an exception granted pursuant to section 2306a(b)(1)(B) of title 10, United States Code, an explanation of the basis for the determination that the products or services to be purchased are commercial items; and

(B) in the case of an exception granted pursuant to section 2306a(b)(1)(C) of such title, or a waiver granted pursuant to section 26(f)(5)(B) of the Office of Federal Procurement Policy Act, an explanation of the basis for the determination that it would not have been possible to obtain the products or services from the offeror without the grant of the exception or waiver.

(2) A description of the specific steps taken or to be taken within the Department of Defense to ensure that the price of each contract, subcontract, or modification covered by the report or notification, as the case may be, is fair and reasonable.

(e) EFFECTIVE DATE.—The requirements of this section shall apply to each exception or waiver that is granted under a provision of law referred to in subsection (a) on or after the date on which the guidance required by that subsection (a) is issued.

SEC. 813. EXTENSION OF REQUIREMENT FOR ANNUAL REPORT ON DEFENSE COMMERCIAL PRICING MANAGEMENT IMPROVEMENT.

Section 803(c)(4) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2082; 10 U.S.C. 2306a note) is amended by striking ''2000, 2001, and 2002,'' and inserting ''2000 through 2006,''.

SEC. 814. INTERNAL CONTROLS ON THE USE OF PURCHASE CARDS.

(a) REQUIREMENT FOR ENHANCED INTERNAL CONTROLS.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall take action to ensure that appropriate internal controls for the use of purchase cards issued by the Federal Government to Department of Defense personnel are in place throughout the Department of Defense. At a minimum, the internal controls shall include the following:

(1) A requirement that the receipt and acceptance, and the documentation of the receipt and acceptance, of the property or services purchased on a purchase card be verified by a Department of Defense official who is independent of the purchaser.

(2) A requirement that the monthly purchase card statements of purchases on a purchase card be reviewed and certified for accuracy by an official of the Department of Defense who is independent of the purchaser.

(3) Specific policies limiting the number of purchase cards issued, with the objective of significantly reducing the number of cardholders.

(4) Specific policies on credit limits authorized for cardholders, with the objective of minimizing financial risk to the Federal Government.

(5) Specific criteria for identifying employees eligible to be issued purchase cards, with the objective of ensuring the integrity of cardholders.

(6) Accounting procedures that ensure that purchase card transactions are properly recorded in Department of Defense accounting records.

(7) Requirements for regular internal review of purchase card statements to identify—

(A) potentially fraudulent, improper, and abusive purchases;

(B) any patterns of improper cardholder transactions, such as purchases of prohibited items; and

(C) categories of purchases that should be made through other mechanisms to better aggregate purchases and negotiate lower prices.

(b) TRAINING.—The Secretary of Defense shall ensure that all Department of Defense purchase cardholders are aware of the enhanced internal controls instituted pursuant to subsection (a).

(c) COMPTROLLER GENERAL REVIEW.—Not later than March 1, 2003, the Comptroller General shall—

(1) review the actions that have been taken within the Department of Defense to comply with the requirements of this section; and

(2) submit a report on the actions reviewed to the congressional defense committees.

SEC. 815. ASSESSMENT REGARDING FEES PAID FOR ACQUISITIONS UNDER OTHER AGENCIES' CONTRACTS.

(a) REQUIREMENT FOR ASSESSMENT AND REPORT.—Not later than March 1, 2003, the Secretary of Defense shall carry out an assessment to determine the total amount paid by the Department of Defense as fees for the acquisition of property and services by the Department of Defense under contracts between other departments and agencies of the Federal Government and the sources of the property and services in each of fiscal years 2000, 2001, and 2002, and submit a report on the results of the assessment to Congress.

(b) CONTENT OF REPORT.—The report shall include the Secretary's views on what, if any, actions should be taken within the Department of Defense to reduce the total amount of the annual expenditures on fees described in subsection (a) and to use the amounts saved for other authorized purposes.

SEC. 816. PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS FOR CERTAIN PROTOTYPE PROJECTS.

Section 845 of the National Defense Authorization Act for Fiscal Year 1994 (10 U.S.C. 2371 note) is amended by—

(1) redesignating subsections (e), (f), and (g) as subsections (f), (g), and (h), respectively; and

(2) inserting after subsection (d) the following new subsection (e):

''(e) PILOT PROGRAM FOR TRANSITION TO FOLLOW-ON CONTRACTS.—(1) The Secretary of Defense is authorized to carry out a pilot program for follow-on contracting for the production of items or processes that are developed by nontraditional defense contractors under prototype projects carried out under this section.

''(2) Under the pilot program—

''(A) a qualifying contract for the procurement of such an item or process, or a qualifying subcontract under a contract for the procurement of such an item or process, may be treated as a contract or subcontract, respectively, for the procurement of commercial items, as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)); and

''(B) the item or process may be treated as an item or process, respectively, that is developed in part with Federal funds and in part at private expense for the purposes of section 2320 of title 10, United States Code.

''(3) For the purposes of the pilot program, a qualifying contract or subcontract is a contract or subcontract, respectively, with a nontraditional defense contractor that—

''(A) does not exceed $20,000,000; and

''(B) is either—

''(i) a firm, fixed-price contract or subcontract; or

''(ii) a fixed-price contract or subcontract with economic price adjustment.

''(4) The authority to conduct a pilot program under this subsection shall terminate on September 30, 2005. The termination of the authority shall not affect the validity of contracts or subcontracts that are awarded or modified during the period of the pilot program, without regard to whether the contracts or subcontracts are performed during the period.''.

SEC. 817. WAIVER AUTHORITY FOR DOMESTIC SOURCE OR CONTENT REQUIREMENTS.

(a) AUTHORITY.—Subchapter V of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2539c. Waiver of domestic source or content requirements

''(a) AUTHORITY.—Except as provided in subsection (f), the Secretary of Defense may waive the application of any domestic source requirement or domestic content requirement referred to in subsection (b) and thereby authorize the procurement of items that are grown, reprocessed, reused, produced, or manufactured—

''(1) in a foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States;

''(2) in a foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States; or

''(3) in the United States substantially from components and materials grown, reprocessed, reused, produced, or manufactured in the United States or any foreign country that has a reciprocal defense procurement memorandum of understanding or agreement with the United States.

''(b) COVERED REQUIREMENTS.—For purposes of this section:

''(1) A domestic source requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item that is grown, reprocessed, reused, produced, or manufactured in the United States or by a manufacturer that is a part of the national technology and industrial base (as defined in section 2500(1) of this title).

''(2) A domestic content requirement is any requirement under law that the Department of Defense satisfy its requirements for an item by procuring an item produced or manufactured partly or wholly from components and materials grown, reprocessed, reused, produced, or manufactured in the United States.

''(c) APPLICABILITY.—The authority of the Secretary to waive the application of a domestic source or content requirements under subsection (a) applies to the procurement of items for which the Secretary of Defense determines that—

''(1) application of the requirement would impede the reciprocal procurement of defense items under a memorandum of understanding providing for reciprocal procurement of defense items between a foreign country and the United States in accordance with section 2531 of this title; and

''(2) such country does not discriminate against defense items produced in the United States to a greater degree than the United States discriminates against defense items produced in that country.

''(d) LIMITATION ON DELEGATION.—The authority of the Secretary to waive the application of domestic source or content requirements under subsection (a) may not be delegated to any officer or employee other than the Under Secretary of Defense for Acquisition, Technology and Logistics.

''(e) CONSULTATIONS.—The Secretary may grant a waiver of the application of a domestic source or content requirement under subsection (a) only after consultation with the United States Trade Representative, the Secretary of Commerce, and the Secretary of State.

''(f) LAWS NOT WAIVABLE.—The Secretary of Defense may not exercise the authority under subsection (a) to waive any domestic source or content requirement contained in any of the following laws:

''(1) The Small Business Act (15 U.S.C. 631 et seq.).

''(2) The Javits-Wagner-O'Day Act (41 U.S.C. et seq.).

''(3) Sections 7309 and 7310 of this title.

''(4) Section 2533a of this title.

''(g) RELATIONSHIP TO OTHER WAIVER AUTHORITY.—The authority under subsection (a) to waive a domestic source requirement or domestic content requirement is in addition to any other authority to waive such requirement.

''(h) CONSTRUCTION WITH RESPECT TO LATER ENACTED LAWS.—This section may not be construed as being inapplicable to a domestic source requirement or domestic content requirement that is set forth in a law enacted after the enactment of this section solely on the basis of the later enactment.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2539b the following new item:

''2539c. Waiver of domestic source or content requirements.''.

Subtitle C—Other Matters

SEC. 821. EXTENSION OF THE APPLICABILITY OF CERTAIN PERSONNEL DEMONSTRATION PROJECT EXCEPTIONS TO AN ACQUISITION WORKFORCE DEMONSTRATION PROJECT.

Section 4308(b)(3)(B) of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 1701 note) is amended to read as follows:

''(B) commences before November 18, 2007.''.

SEC. 822. MORATORIUM ON REDUCTION OF THE DEFENSE ACQUISITION AND SUPPORT WORKFORCE.

(a) PROHIBITION.—Notwithstanding any other provision of law, the defense acquisition and support workforce may not be reduced, during fiscal years 2003, 2004, and 2005, below the level of that workforce as of September 30, 2002, determined on the basis of full-time equivalent positions.

(b) WAIVER AUTHORITY.—The Secretary of Defense may waive the prohibition in subsection (a) and reduce the level of the defense acquisition and support workforce upon submitting to Congress the Secretary's certification that the defense acquisition and support workforce, at the level to which reduced, will be able efficiently and effectively to perform the workloads that are required of that workforce consistent with the cost-effective management of the defense acquisition system to obtain best value equipment and with ensuring military readiness.

(c) DEFENSE ACQUISITION AND SUPPORT WORKFORCE DEFINED.—In this section, the term ''defense acquisition and support workforce'' means Armed Forces and civilian personnel who are assigned to, or are employed in, an organization of the Department of Defense that is—

(1) an acquisition organization specified in Department of Defense Instruction 5000.58, dated January 14, 1992; or

(2) an organization not so specified that has acquisition as its predominant mission, as determined by the Secretary of Defense.

SEC. 823. EXTENSION OF CONTRACT GOAL FOR SMALL DISADVANTAGED BUSINESSES AND CERTAIN INSTITUTIONS OF HIGHER EDUCATION.

Section 2323(k) of title 10, United States Code, is amended by striking ''2003'' both places it appears and inserting ''2006''.

SEC. 824. MENTOR-PROTEGE PROGRAM ELIGIBILITY FOR HUBZONE SMALL BUSINESS CONCERNS AND SMALL BUSINESS CONCERNS OWNED AND CONTROLLED BY SERVICE-DISABLED VETERANS.

Section 831(m)(2) of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note), is amended—

(1) by striking ''or'' at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting a semicolon; and

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

''(F) a qualified HUBZone small business concern, within the meaning of section 3(p)(5) of the Small Business Act (15 U.S.C. 632(p)(5)); or

''(G) a small business concern owned and controlled by service-disabled veterans, as defined in section 3(q)(2) of the Small Business Act (15 U.S.C. 632(q)(2)).''.

SEC. 825. REPEAL OF REQUIREMENTS FOR CERTAIN REVIEWS BY THE COMPTROLLER GENERAL.

The following provisions of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106) are repealed:

(1) Section 912(d) (110 Stat. 410; 10 U.S.C. 2216 note), relating to Comptroller General reviews of the administration of the Defense Modernization Account.

(2) Section 5312(e) (110 Stat. 695; 40 U.S.C. 1492), relating to Comptroller General monitoring of a pilot program for solutions-based contracting for acquisition of information technology.

(3) Section 5401(c)(3) (110 Stat. 697; 40 U.S.C. 1501), relating to a Comptroller General review and report regarding a pilot program to test streamlined procedures for the procurement of information technology products and services available for ordering through multiple award schedules.

SEC. 826. MULTIYEAR PROCUREMENT AUTHORITY FOR PURCHASE OF DINITROGEN TETROXIDE, HYDRAZINE, AND HYDRAZINE-RELATED PRODUCTS.

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2410n the following new section:

"§ 2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products

''(a) TEN-YEAR CONTRACT PERIOD.—The Secretary of Defense may enter into a contract for a period of up to 10 years for the purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products for the support of a United States national security program or a United States space program.

''(b) EXTENSIONS.—A contract entered into for more than one year under the authority of subsection (a) may be extended for a total of not more than 10 years pursuant to any option or options set forth in the contract.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 141 is amended by adding at the end the following item:

''2410o. Multiyear procurement authority: purchase of dinitrogen tetroxide, hydrazine, and hydrazine-related products.''.

SEC. 827. MULTIYEAR PROCUREMENT AUTHORITY FOR ENVIRONMENTAL SERVICES FOR MILITARY INSTALLATIONS.

(a) AUTHORITY.—Subsection (b) of section 2306c of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5) Environmental remediation services for—

''(A) an active military installation;

''(B) a military installation being closed or realigned under a base closure law; or

''(C) a site formerly used by the Department of Defense.''.

(b) DEFINITIONS.—Such section is further amended by adding at the end the following new subsection:

''(g) ADDITIONAL DEFINITIONS.—In this section:

''(1) The term 'base closure law' has the meaning given such term in section 2667(h)(2) of this title.

''(2) The term 'military installation' has the meaning given such term in section 2801(c)(2) of this title.''.

SEC. 828. INCREASED MAXIMUM AMOUNT OF ASSISTANCE FOR TRIBAL ORGANIZATIONS OR ECONOMIC ENTERPRISES CARRYING OUT PROCUREMENT TECHNICAL ASSISTANCE PROGRAMS IN TWO OR MORE SERVICE AREAS.

Section 2414(a)(4) of title 10, United States Code, is amended by striking ''$300,000'' and inserting ''$600,000''.

SEC. 829. AUTHORITY FOR NONPROFIT ORGANIZATIONS TO SELF-CERTIFY ELIGIBILITY FOR TREATMENT AS QUALIFIED ORGANIZATIONS EMPLOYING SEVERELY DISABLED UNDER MENTOR-PROTEGE PROGRAM.

Section 831 of the National Defense Authorization Act for Fiscal Year 1991 (10 U.S.C. 2302 note) is amended by adding at the end the following new subsection:

''(n) SELF-CERTIFICATION OF NONPROFIT ORGANIZATIONS AS QUALIFIED ORGANIZATIONS EMPLOYING THE SEVERELY DISABLED.—(1) The Secretary of Defense may, in accordance with such requirements as the Secretary may establish, permit a business entity operating on a nonprofit basis to self-certify its eligibility for treatment as a qualified organization employing the severely disabled under subsection (m)(2)(D).

''(2) The Secretary shall treat any entity described in paragraph (1) that submits a self-certification under that paragraph as a qualified organization employing the severely disabled until the Secretary receives evidence, if any, that such entity is not described by paragraph (1) or does not merit treatment as a qualified organization employing the severely disabled in accordance with applicable provisions of subsection (m).

''(3) Paragraphs (1) and (2) shall cease to be effective on the effective date of regulations prescribed by the Small Business Administration under this section setting forth a process for the certification of business entities as eligible for treatment as a qualified organization employing the severely disabled under subsection (m)(2)(D).''.

SEC. 830. REPORT ON EFFECTS OF ARMY CONTRACTING AGENCY.

(a) IN GENERAL.—The Secretary of the Army shall submit a report on the effects of the establishment of an Army Contracting Agency on small business participation in Army procurements during the first year of operation of such an agency to—

(1) the Committee on Armed Services of the House of Representatives;

(2) the Committee on Armed Services of the Senate;

(3) the Committee on Small Business of the House of Representatives; and

(4) the Committee on Small Business and Entrepreneurship of the Senate.

(b) CONTENT.—The report required under subsection (a) shall include, in detail—

(1) the justification for the establishment of an Army Contracting Agency;

(2) the impact of the creation of an Army Contracting Agency on—

(A) Army compliance with—

(i) Department of Defense Directive 4205.1;

(ii) section 15(g) of the Small Business Act (15 U.S.C. 644(g)); and

(iii) section 15(k) of the Small Business Act (15 U.S.C. 644(k));

(B) small business participation in Army procurement of products and services for affected Army installations, including—

(i) the impact on small businesses located near Army installations, including—

(I) the increase or decrease in the total value of Army prime contracting with local small businesses; and

(II) the opportunities for small business owners to meet and interact with Army procurement personnel; and

(ii) any change or projected change in the use of consolidated contracts and bundled contracts; and

(3) a description of the Army's plan to address any negative impact on small business participation in Army procurement, to the extent such impact is identified in the report.

(c) TIME FOR SUBMISSION.—The report under this section shall be due 15 months after the date of the establishment of the Army Contracting Agency.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. TIME FOR SUBMITTAL OF REPORT ON QUADRENNIAL DEFENSE REVIEW.

Section 118(d) of title 10, United States Code, is amended by striking ''not later than September 30 of the year in which the review is conducted'' in the second sentence and inserting ''in the year following the year in which the review is conducted, but not later than the date on which the President submits the budget for the next fiscal year to Congress under section 1105(a) of title 31''.

SEC. 902. INCREASED NUMBER OF DEPUTY COMMANDANTS AUTHORIZED FOR THE MARINE CORPS.

Section 5045 of title 10, United States Code, is amended by striking ''five'' and inserting ''six''.

SEC. 903. BASE OPERATING SUPPORT FOR FISHER HOUSES.

(a) EXPANSION OF REQUIREMENT TO INCLUDE ARMY AND AIR FORCE.—Section 2493(f) of title 10, United States Code, is amended to read as follows:

''(f) BASE OPERATING SUPPORT.—The Secretary of the military department concerned shall provide base operating support for Fisher Houses associated with health care facilities of that military department.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2002.

SEC. 904. PREVENTION AND MITIGATION OF CORROSION.

(a) ESTABLISHMENT.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall designate an officer or employee of the Department of Defense as the senior official responsible (after the Secretary of Defense and the Under Secretary of Defense for Acquisition, Technology, and Logistics) for the prevention and mitigation of corrosion of the military equipment and infrastructure of the Department. The designated official shall report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

(b) DUTIES.—The official designated under subsection (a) shall direct and coordinate initiatives throughout the Department of Defense to prevent and mitigate corrosion of the military equipment and infrastructure of the Department, including efforts to facilitate the prevention and mitigation of corrosion through—

(1) development and recommendation of policy guidance on the prevention and mitigation of corrosion which the Secretary of Defense shall issue;

(2) review of the annual budget proposed for the prevention and mitigation of corrosion by the Secretary of each military department and submittal of recommendations regarding the proposed budget to the Secretary of Defense;

(3) direction and coordination of the efforts within the Department of Defense to prevent or mitigate corrosion during—

(A) the design, acquisition, and maintenance of military equipment; and

(B) the design, construction, and maintenance of infrastructure; and

(4) monitoring of acquisition practices—

(A) to ensure that the use of corrosion prevention technologies and the application of corrosion prevention treatments are fully considered during research and development in the acquisition process; and

(B) to ensure that, to the extent determined appropriate in each acquisition program, such technologies and treatments are incorporated into the program, particularly during the engineering and design phases of the acquisition process.

(c) INTERIM REPORT.—When the President submits the budget for fiscal year 2004 to Congress pursuant to section 1105(a) of title 31, United States Code, the Secretary of Defense shall submit to Congress a report regarding the actions taken under this section. The report shall include the following matters:

(1) The organizational structure for the personnel carrying out the responsibilities of the official designated under subsection (a) with respect to the prevention and mitigation of corrosion.

(2) An outline and milestones for developing a long-term corrosion prevention and mitigation strategy.

(d) LONG-TERM STRATEGY.—(1) Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a long-term strategy to reduce corrosion and the effects of corrosion on the military equipment and infrastructure of the Department of Defense.

(2) The strategy shall provide for the following actions:

(A) Expanding the emphasis on corrosion prevention and mitigation to include coverage of infrastructure.

(B) Applying uniformly throughout the Department of Defense requirements and criteria for the testing and certification of new technologies for the prevention of corrosion.

(C) Implementing programs, including programs supporting databases, to foster the collection and analysis of—

(i) data useful for determining the extent of the effects of corrosion on the maintenance and readiness of military equipment and infrastructure; and

(ii) data on the costs associated with the prevention and mitigation of corrosion.

(D) Implementing programs, including supporting databases, to ensure that a focused and coordinated approach is taken throughout the

Department of Defense to collect, review, validate, and distribute information on proven methods and products that are relevant to the prevention of corrosion of military equipment and infrastructure.

(E) Implementing a program to identify specific funding in future budgets for the total life cycle costs of the prevention and mitigation of corrosion.

(F) Establishing a coordinated research and development program for the prevention and mitigation of corrosion for new and existing military equipment and infrastructure that includes a plan to transition new corrosion prevention technologies into operational systems.

(3) The strategy shall also include, for the actions provided for pursuant to paragraph (2), the following:

(A) Policy guidance.

(B) Performance measures and milestones.

(C) An assessment of the necessary program management resources and necessary financial resources.

(e) GAO REVIEWS.—The Comptroller General shall monitor the implementation of the long-term strategy required under subsection (d) and, not later than 18 months after the date of the enactment of this Act, submit to Congress an assessment of the extent to which the strategy has been implemented.

(f) DEFINITIONS.—In this section:

(1) The term ''corrosion'' means the deterioration of a substance or its properties due to a reaction with its environment.

(2) The term ''military equipment'' includes all air, land, and sea weapon systems, weapon platforms, vehicles, and munitions of the Department of Defense, and the components of such items.

(3) The term ''infrastructure'' includes all buildings, structures, airfields, port facilities, surface and subterranean utility systems, heating and cooling systems, fuel tanks, pavements, and bridges.

(g) TERMINATION.—This section shall cease to be effective on the date that is five years after the date of the enactment of this Act.

SEC. 905. WESTERN HEMISPHERE INSTITUTE FOR SECURITY COOPERATION.

(a) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONATIONS.—Section 2166 of title 10, United States Code, is amended—

(1) by redesignating subsections (f), (g), and (h), as subsections (g), (h), and (i), respectively; and

(2) by inserting after subsection (e) the following new subsection (f):

''(f) AUTHORITY TO ACCEPT FOREIGN GIFTS AND DONATIONS.—(1) The Secretary of Defense may, on behalf of the Institute, accept foreign gifts or donations in order to defray the costs of, or enhance the operation of, the Institute.

''(2) Funds received by the Secretary under paragraph (1) shall be credited to appropriations available for the Department of Defense for the Institute. Funds so credited shall be merged with the appropriations to which credited and shall be available for the Institute for the same purposes and same period as the appropriations with which merged.

''(3) The Secretary of Defense shall notify Congress if the total amount of money accepted under paragraph (1) exceeds $1,000,000 in any fiscal year. Any such notice shall list each of the contributors of such money and the amount of each contribution in such fiscal year.

''(4) For the purposes of this subsection, a foreign gift or donation is a gift or donation of funds, materials (including research materials), property, or services (including lecture services and faculty services) from a foreign government, a foundation or other charitable organization in a foreign country, or an individual in a foreign country.''.

(b) CONTENT OF ANNUAL REPORT TO CONGRESS.—Subsection (i) of such section, as redesignated by subsection (a)(1), is amended by inserting after the first sentence the following: ''The report shall include a copy of the latest report of the Board of Visitors received by the Secretary under subsection (e)(5), together with any comments of the Secretary on the Board's report.''.

SEC. 906. VETERINARY CORPS OF THE ARMY.

(a) COMPOSITION AND ADMINISTRATION.—(1) Chapter 307 of title 10, United States Code, is amended by inserting after section 3070 the following new section 3071:

''§ 3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade

''(a) COMPOSITION.—The Veterinary Corps consists of the Chief and assistant chief of that corps and other officers in grades prescribed by the Secretary of the Army.

''(b) CHIEF.—The Secretary of the Army shall appoint the Chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel and who are recommended by the Surgeon General. An appointee who holds a lower regular grade may be appointed in the regular grade of brigadier general. The Chief serves during the pleasure of the Secretary, but not for more than four years, and may not be reappointed to the same position.

''(c) ASSISTANT CHIEF.—The Surgeon General shall appoint the assistant chief from the officers of the Regular Army in that corps whose regular grade is above lieutenant colonel. The assistant chief serves during the pleasure of the Surgeon General, but not for more than four years and may not be reappointed to the same position.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 3070 the following new item:

''3071. Veterinary Corps: composition; Chief and assistant chief; appointment; grade.''.

(b) EFFECTIVE DATE.—Section 3071 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2002.

SEC. 907. UNDER SECRETARY OF DEFENSE FOR INTELLIGENCE.

(a) ESTABLISHMENT OF POSITION.—Chapter 4 of title 10, United States Code, is amended—

(1) by transferring section 137 within such chapter to appear following section 138;

(2) by redesignating sections 137 and 139 as sections 139 and 139a, respectively; and

(3) by inserting after section 136a the following new section 137:

''§ 137. Under Secretary of Defense for Intelligence

''(a) There is an Under Secretary of Defense for Intelligence, appointed from civilian life by the President, by and with the advice and consent of the Senate.

''(b) Subject to the authority, direction, and control of the Secretary of Defense, the Under Secretary of Defense for Intelligence shall perform such duties and exercise such powers as the Secretary of Defense may prescribe in the area of intelligence.

''(c) The Under Secretary of Defense for Personnel and Readiness takes precedence in the Department of Defense after the Under Secretary of Defense for Personnel and Readiness.''.

(b) CONFORMING AMENDMENTS.—(1) Section 131 of such title is amended—

(A) by striking paragraphs (2), (3), (4), and (5), and inserting the following:

''(2) The Under Secretaries of Defense, as follows:

''(A) The Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(B) The Under Secretary of Defense for Policy.

''(C) The Under Secretary of Defense (Comptroller).

''(D) The Under Secretary of Defense for Personnel and Readiness.

''(E) The Under Secretary of Defense for Intelligence.''; and

(B) by redesignating paragraphs (6), (7), (8), (9), (10), and (11) as paragraphs (3), (4), (5), (6), (7), and (8), respectively.

(2) The table of sections at the beginning of chapter 4 of such title is amended—

(A) by striking the item relating to section 137 and inserting the following:

''137. Under Secretary of Defense for Intelligence.'';

and

(B) by striking the item relating to section 139 and inserting the following:

''139. Director of Research and Engineering.

''139a. Director of Operational Test and Evaluation.''.

(c) EXECUTIVE LEVEL III.—Section 5314 of title 5, United States Code, is amended by inserting after ''Under Secretary of Defense for Personnel and Readiness.'' the following:

''Under Secretary of Defense for Intelligence.''.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2003 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,500,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. REALLOCATION OF AUTHORIZATIONS OF APPROPRIATIONS FROM BALLISTIC MISSILE DEFENSE TO SHIPBUILDING.

(a) AMOUNT.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated under section 201(4) is hereby reduced by $690,000,000, and the amount authorized to be appropriated under section 102(a)(3) is hereby increased by $690,000,000.

(b) SOURCE OF REDUCTION.—The total amount of the reduction in the amount authorized to be appropriated under section 201(4) shall be derived from the amount provided under that section for ballistic missile defense for research, development, test, and evaluation.

(c) ALLOCATION OF INCREASE.—Of the additional amount authorized to be appropriated under section 102(a)(3) pursuant to subsection (a)—

(1) $415,000,000 shall be available for advance procurement of a Virginia class submarine;

(2) $125,000,000 shall be available for advance procurement of a DDG–51 class destroyer; and

(3) $150,000,000 shall be available for advance procurement of an LPD–17 class amphibious transport dock.

SEC. 1003. AUTHORIZATION OF APPROPRIATIONS FOR CONTINUED OPERATIONS FOR THE WAR ON TERRORISM.

(a) AMOUNT.—(1) In addition to the amounts authorized to be appropriated under divisions A

and B, funds are hereby authorized to be appropriated for fiscal year 2003 (subject to subsection (b)) in the total amount of $10,000,000,000 for the conduct of operations in continuation of the war on terrorism in accordance with the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note).

(2) The amount authorized to be appropriated under paragraph (1) shall be available for increased operating costs, transportation costs, costs of humanitarian efforts, costs of special pays, costs of enhanced intelligence efforts, increased personnel costs for members of the reserve components ordered to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code, and other costs related to operations referred to in paragraph (1).

(b) AUTHORIZATION CONTINGENT ON BUDGET REQUEST.—The authorization of appropriations in subsection (a) shall be effective only to the extent of the amount provided in a budget request for the appropriation of funds for purposes set forth in subsection (a) that is submitted by the President to Congress after the date of the enactment of this Act and—

(1) includes a designation of the requested amount as being essential to respond to or protect against acts or threatened acts of terrorism; and

(2) specifies a proposed allocation and plan for the use of the appropriation for purposes set forth in subsection (a).

SEC. 1004. AUTHORIZATION OF EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2002.

Amounts authorized to be appropriated to the Department of Defense for fiscal year 2002 in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization were increased (by a supplemental appropriation) or decreased (by a rescission), or both, in any law making supplemental appropriations for fiscal year 2002 that is enacted during the 107th Congress, second session.

SEC. 1005. UNITED STATES CONTRIBUTION TO NATO COMMON-FUNDED BUDGETS IN FISCAL YEAR 2003.

(a) FISCAL YEAR 2003 LIMITATION.—The total amount contributed by the Secretary of Defense in fiscal year 2003 for the common-funded budgets of NATO may be any amount up to, but not in excess of, the amount specified in subsection (b) (rather than the maximum amount that would otherwise be applicable to those contributions under the fiscal year 1998 baseline limitation).

(b) TOTAL AMOUNT.—The amount of the limitation applicable under subsection (a) is the sum of the following:

(1) The amounts of unexpended balances, as of the end of fiscal year 2002, of funds appropriated for fiscal years before fiscal year 2003 for payments for those budgets.

(2) The amount specified in subsection (c)(1).

(3) The amount specified in subsection (c)(2).

(4) The total amount of the contributions authorized to be made under section 2501.

(c) AUTHORIZED AMOUNTS.—Amounts authorized to be appropriated by titles II and III of this Act are available for contributions for the common-funded budgets of NATO as follows:

(1) Of the amount provided in section 201(1), $750,000 for the Civil Budget.

(2) Of the amount provided in section 301(a)(1), $205,623,000 for the Military Budget.

(d) DEFINITIONS.—For purposes of this section:

(1) COMMON-FUNDED BUDGETS OF NATO.—The term ''common-funded budgets of NATO'' means the Military Budget, the Security Investment Program, and the Civil Budget of the North Atlantic Treaty Organization (and any successor or additional account or program of NATO).

(2) FISCAL YEAR 1998 BASELINE LIMITATION.—The term ''fiscal year 1998 baseline limitation'' means the maximum annual amount of Department of Defense contributions for common-funded budgets of NATO that is set forth as the annual limitation in section 3(2)(C)(ii) of the resolution of the Senate giving the advice and consent of the Senate to the ratification of the Protocols to the North Atlantic Treaty of 1949 on the Accession of Poland, Hungary, and the Czech Republic (as defined in section 4(7) of that resolution), approved by the Senate on April 30, 1998.

SEC. 1006. DEVELOPMENT AND IMPLEMENTATION OF FINANCIAL MANAGEMENT ENTERPRISE ARCHITECTURE.

(a) REQUIREMENT FOR ENTERPRISE ARCHITECTURE AND TRANSITION PLAN.—Not later than March 15, 2003, the Secretary of Defense shall develop a proposed financial management enterprise architecture for all budgetary, accounting, finance, and data feeder systems of the Department of Defense, together with a transition plan for implementing the proposed enterprise architecture.

(b) COMPOSITION OF ARCHITECTURE.—The proposed financial management enterprise architecture developed under subsection (a) shall describe a system that, at a minimum—

(1) includes data standards and system interface requirements that are to apply uniformly throughout the Department of Defense;

(2) enables the Department of Defense—

(A) to comply with Federal accounting, financial management, and reporting requirements;

(B) to routinely produce timely, accurate, and useful financial information for management purposes;

(C) to integrate budget, accounting, and program information and systems; and

(D) to provide for the systematic measurement of performance, including the ability to produce timely, relevant, and reliable cost information.

(c) COMPOSITION OF TRANSITION PLAN.—The transition plan developed under subsection (a) shall contain specific time-phased milestones for modifying or eliminating existing systems and for acquiring new systems necessary to implement the proposed enterprise architecture.

(d) EXPENDITURES FOR IMPLEMENTATION.—The Secretary of Defense may not obligate more than $1,000,000 for a defense financial system improvement on or after the enterprise architecture approval date unless the Financial Management Modernization Executive Committee determines that the defense financial system improvement is consistent with the proposed enterprise architecture and transition plan.

(e) EXPENDITURES PENDING ARCHITECTURE APPROVAL.—The Secretary of Defense may not obligate more than $1,000,000 for a defense financial system improvement during the enterprise architecture pre-approval period unless the Financial Management Modernization Executive Committee determines that the defense financial system improvement is necessary—

(1) to achieve a critical national security capability or address a critical requirement in an area such as safety or security; or

(2) to prevent a significant adverse effect (in terms of a technical matter, cost, or schedule) on a project that is needed to achieve an essential capability, taking into consideration in the determination the alternative solutions for preventing the adverse effect.

(f) COMPTROLLER GENERAL REVIEW.—Not later than March 1 of each of 2003, 2004, and 2005, the Comptroller General shall submit to the congressional defense committees a report on defense financial management system improvements that have been undertaken during the previous year. The report shall include the Comptroller General's assessment of the extent to which the improvements comply with the requirements of this section.

(g) DEFINITIONS.—In this section:

(1) The term ''defense financial system improvement''—

(A) means the acquisition of a new budgetary, accounting, finance, or data feeder system for the Department of Defense, or a modification of an existing budgetary, accounting, finance, or data feeder system of the Department of Defense; and

(B) does not include routine maintenance and operation of any such system.

(2) The term ''enterprise architecture approval date'' means the date on which the Secretary of Defense approves a proposed financial management enterprise architecture and a transition plan that satisfy the requirements of this section.

(3) The term ''enterprise architecture pre-approval period'' means the period beginning on the date of the enactment of this Act and ending on the day before the enterprise architecture approval date.

(4) The term ''feeder system'' means a data feeder system within the meaning of section 2222(c)(2) of title 10, United States Code.

(5) The term ''Financial Management Modernization Executive Committee'' means the Financial Management Modernization Executive Committee established pursuant to section 185 of title 10, United States Code.

SEC. 1007. DEPARTMENTAL ACCOUNTABLE OFFICIALS IN THE DEPARTMENT OF DEFENSE.

(a) DESIGNATION AND ACCOUNTABILITY.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773 the following new section:

''§ 2773a. Departmental accountable officials

''(a) DESIGNATION.—The Secretary of Defense may designate, in writing, as a departmental accountable official any employee of the Department of Defense or any member of the armed forces who—

''(1) has a duty to provide a certifying official of the Department of Defense with information, data, or services directly relied upon by the certifying official in the certification of vouchers for payment; and

''(1) is not otherwise accountable under subtitle III of title 31 or any other provision of law for payments made on the basis of the vouchers.

''(b) PECUNIARY LIABILITY.—(1) The Secretary of Defense may, in a designation of a departmental accountable official under subsection (a), subject that official to pecuniary liability, in the same manner and to the same extent as an official accountable under subtitle III of title 31, for an illegal, improper, or incorrect payment made pursuant to a voucher certified by a certifying official of the Department of Defense on the basis of information, data, or services that—

''(A) the departmental accountable official provides to the certifying official in the performance of a duty described in subsection (a)(1); and

''(B) the certifying official directly relies upon in certifying the voucher.

''(2) Any pecuniary liability imposed on a departmental accountable official under this subsection for a loss to the United States resulting from an illegal, improper, or incorrect payment shall be joint and several with that of any other employee or employees of the United States or member or members of the uniformed services who are pecuniarily liable for the loss.

''(c) RELIEF FROM PECUNIARY LIABILITY.—The Secretary of Defense shall relieve a departmental accountable official from pecuniary liability imposed under subsection (b) in the case of a payment if the Secretary determines that the payment was not a result of fault or negligence on the part of the departmental accountable official.

''(d) CERTIFYING OFFICIAL DEFINED.—In this section, the term 'certifying official' means an employee who has the responsibilities specified in section 3528(a) of title 31.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2773 the following new item:

''2773a. Departmental accountable officials.''.

SEC. 1008. DEPARTMENT-WIDE PROCEDURES FOR ESTABLISHING AND LIQUIDATING PERSONAL PECUNIARY LIABILITY.

(a) REPORT OF SURVEY PROCEDURES.—(1) Chapter 165 of title 10, United States Code, is amended by inserting after section 2786 the following new section:

"§ 2787. Reports of survey

''(a) REGULATIONS.—Under regulations prescribed pursuant to subsection (c), any officer of the armed forces or any civilian employee of the Department of Defense designated in accordance with the regulations may act upon reports of survey and vouchers pertaining to the loss, spoilage, unserviceability, unsuitability, or destruction of, or damage to, property of the United States under the control of the Department of Defense.

''(b) FINALITY OF ACTION.—(1) Action taken under subsection (a) is final except as provided in paragraph (2).

''(2) An action holding a person pecuniarily liable for loss, spoilage, destruction, or damage is not final until approved by a person designated to do so by the Secretary of a military department, commander of a combatant command, or Director of a Defense Agency, as the case may be, who has jurisdiction of the person held pecuniarily liable. The person designated to provide final approval shall be an officer of an armed force, or a civilian employee, under the jurisdiction of the official making the designation.

''(c) REGULATIONS.—The Secretary of Defense shall prescribe regulations to carry out this section.''.

(2) The table of sections at the beginning of chapter 165 of such title is amended by inserting after the item relating to section 2786 the following new item:

''2787. Reports of survey.''.

(b) DAMAGE OR REPAIR OF ARMS AND EQUIPMENT.—Section 1007(e) of title 37, United States Code, is amended by striking ''Army or the Air Force'' and inserting ''Army, Navy, Air Force, or Marine Corps''.

(c) REPEAL OF SUPERSEDED PROVISIONS.—(1) Sections 4835 and 9835 of title 10, United States Code, are repealed.

(2) The tables of sections at the beginning of chapters 453 and 953 of such title are amended by striking the items relating to sections 4835 and 9835, respectively.

SEC. 1009. TRAVEL CARD PROGRAM INTEGRITY.

(a) AUTHORITY.—Section 2784 of title 10, United States Code, is amended by adding at the end the following new subsections:

''(d) DISBURSEMENT OF ALLOWANCES DIRECTLY TO CREDITORS.—(1) The Secretary of Defense may require that any part of the travel or transportation allowances of an employee of the Department of Defense or a member of the armed forces be disbursed directly to the issuer of a Defense travel card if the amount is disbursed to the issuer in payment of amounts of expenses of official travel that are charged by the employee or member on the Defense travel card.

''(2) For the purposes of this subsection, the travel and transportation allowances referred to in paragraph (1) are amounts to which an employee of the Department of Defense is entitled under section 5702 of title 5 and or a member of the armed forces is entitled section 404 of title 37.

''(e) OFFSETS FOR DELINQUENT TRAVEL CARD CHARGES.—(1) The Secretary of Defense may require that there be deducted and withheld from any pay payable to an employee of the Department of Defense or a member of the armed forces any amount that is owed by the employee or member to a creditor by reason of one or more charges of expenses of official travel of the employee or member on a Defense travel card issued by the creditor if the employee or member—

''(A) is delinquent in the payment of such amount under the terms of the contract under which the card is issued; and

''(B) does not dispute the amount of the delinquency.

''(2) The amount deducted and withheld from pay under paragraph (1) with respect to a debt owed a creditor as described in that paragraph shall be disbursed to the creditor to reduce the amount of the debt.

''(3) The amount of pay deducted and withheld from the pay owed to an employee or member with respect to a pay period under paragraph (1) may not exceed 15 percent of the disposable pay of the employee or member for that pay period, except that a higher amount may be deducted and withheld with the written consent of the employee or member.

''(4) The Secretary of Defense shall prescribe procedures for deducting and withholding amounts from pay under this subsection. The procedures shall be substantially equivalent to the procedures under section 3716 of title 31.

''(f) UNDER SECRETARY OF DEFENSE (COMPTROLLER).—The Secretary of Defense shall act through the Under Secretary of Defense (Comptroller) in carrying out this section.

''(g) DEFINITIONS.—In this section:

''(1) The term 'Defense travel card' means a charge or credit card that—

''(A) is issued to an employee of the Department of Defense or a member of the armed forces under a contract entered into by the Department of Defense and the issuer of the card; and

''(B) is to be used for charging expenses incurred by the employee or member in connection with official travel.

''(2) The term 'disposable pay', with respect to a pay period, means the amount equal to the excess of the amount of basic pay payable for the pay period over the total of the amounts deducted and withheld from such pay.''.

(b) CONFORMING AMENDMENT.—Subsection (a) of such section is amended by striking '', acting through the Under Secretary of Defense (Comptroller),''.

SEC. 1010. CLEARANCE OF CERTAIN TRANSACTIONS RECORDED IN TREASURY SUSPENSE ACCOUNTS AND RESOLUTION OF CERTAIN CHECK ISSUANCE DISCREPANCIES.

(a) CLEARING OF SUSPENSE ACCOUNTS.—(1) In the case of any transaction that was entered into by or on behalf of the Department of Defense before March 1, 2001, that is recorded in the Department of Treasury Budget Clearing Account (Suspense) designated as account F3875, the Unavailable Check Cancellations and Overpayments (Suspense) designated as account F3880, or an Undistributed Intergovernmental Payments account designated as account F3885, and for which no appropriation for the Department of Defense has been identified—

(A) any undistributed collection credited to such account in such case shall be deposited to the miscellaneous receipts of the Treasury; and

(B) subject to paragraph (2), any undistributed disbursement recorded in such account in such case shall be canceled.

(2) An undistributed disbursement may not be canceled under paragraph (1) until the Secretary of Defense has made a written determination that the appropriate official or officials of the Department of Defense have attempted without success to locate the documentation necessary to demonstrate which appropriation should be charged and further efforts are not in the best interests of the United States.

(b) RESOLUTION OF CHECK ISSUANCE DISCREPANCIES.—(1) In the case of any check drawn on the Treasury that was issued by or on behalf of the Department of Defense before October 31, 1998, for which the Secretary of the Treasury has reported to the Department of Defense a discrepancy between the amount paid and the amount of the check as transmitted to the Department of Treasury, and for which no specific appropriation for the Department of Defense can be identified as being associated with the check, the discrepancy shall be canceled, subject to paragraph (2).

(2) A discrepancy may not be canceled under paragraph (1) until the Secretary of Defense has made a written determination that the appropriate official or officials of the Department of Defense have attempted without success to locate the documentation necessary to demonstrate which appropriation should be charged and further efforts are not in the best interests of the United States.

(c) CONSULTATION.—The Secretary of Defense shall consult the Secretary of the Treasury in the exercise of the authority granted by subsections (a) and (b).

(d) DURATION OF AUTHORITY.—(1) A particular undistributed disbursement may not be canceled under subsection (a) more than 30 days after the date of the written determination made by the Secretary of Defense under such subsection regarding that undistributed disbursement.

(2) A particular discrepancy may not be canceled under subsection (b) more than 30 days after the date of the written determination made by the Secretary of Defense under such subsection regarding that discrepancy.

(3) No authority may be exercised under this section after the date that is two years after the date of the enactment of this Act.

SEC. 1011. ADDITIONAL AMOUNT FOR BALLISTIC MISSILE DEFENSE OR COMBATING TERRORISM IN ACCORDANCE WITH NATIONAL SECURITY PRIORITIES OF THE PRESIDENT.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to other amounts authorized to be appropriated by other provisions of this division, there is hereby authorized to be appropriated for the Department of Defense for fiscal year 2003, $814,300,000 for whichever of the following purposes the President determines that the additional amount is necessary in the national security interests of the United States:

(1) Research, development, test, and evaluation for ballistic missile defense programs of the Department of Defense.

(2) Activities of the Department of Defense for combating terrorism at home and abroad.

(b) OFFSET.—The total amount authorized to be appropriated under the other provisions of this division is hereby reduced by $814,300,000 to reflect the amounts that the Secretary determines unnecessary by reason of a revision of assumptions regarding inflation that are applied as a result of the midsession review of the budget conducted by the Office of Management and Budget during the spring and early summer of 2002.

(c) PRIORITY FOR ALLOCATING FUNDS.—In the expenditure of additional funds made available by a lower rate of inflation, the top priority shall be the use of such funds for Department of Defense activities for protecting the American people at home and abroad by combating terrorism at home and abroad.

SEC. 1012. AVAILABILITY OF AMOUNTS FOR OREGON ARMY NATIONAL GUARD FOR SEARCH AND RESCUE AND MEDICAL EVACUATION MISSIONS IN ADVERSE WEATHER CONDITIONS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR ARMY PROCUREMENT.—The amount authorized to be appropriated by section 101(1) for procurement for the Army for aircraft is hereby increased by $3,000,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 101(1) for procurement for the Army for aircraft, as increased by subsection (a), $3,000,000 shall be available for the upgrade of three UH–60L Blackhawk helicopters of the Oregon Army National Guard to the capabilities of UH–60Q Search and Rescue model helicopters, including Star Safire FLIR, Breeze-Eastern External Rescue Hoist, and Air Methods COTS Medical Systems upgrades, in order to improve the utility of such UH–60L Blackhawk helicopters in search and rescue and medical evacuation missions in adverse weather conditions.

(c) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.—The amount authorized to be appropriated by section 421 for military personnel is hereby increased by $1,800,000.

(d) AVAILABILITY.—Of the amount authorized to be appropriated by section 421 for military personnel, as increased by subsection (d), $1,800,000 shall be available for up to 26 additional personnel for the Oregon Army National Guard.

(e) OFFSET.—The amount authorized to be appropriated by section 301(a)(1) for operation and maintenance for the Army is hereby reduced by $4,800,000, with the amount of the reduction to be allocated to Base Operations Support (Servicewide Support).

Subtitle B—Naval Vessels and Shipyards

SEC. 1021. NUMBER OF NAVY SURFACE COMBATANTS IN ACTIVE AND RESERVE SERVICE.

(a) CONTINGENT REQUIREMENT FOR REPORT.—If, on the date of the enactment of this Act, the total number of Navy ships comprising the force of surface combatants is less than 116, the Secretary of the Navy shall submit a report on the size of that force to the Committees on Armed Services of the Senate and the House of Representatives. The report shall be submitted not later than 90 days after such date and shall include a risk assessment for such force that is based on the same assumptions as those that were applied in the QDR 2001 current force risk assessment.

(b) LIMITATION ON REDUCTION.—The force of surface combatants may not be reduced at any time after the date of the enactment of this Act from a number of ships (whether above, equal to, or below 116) to a number of ships below 116 before the date that is 90 days after the date on which the Secretary of the Navy submits to the committees referred to in subsection (a) a written notification of the reduction. The notification shall include the following information:

(1) The schedule for the reduction.

(2) The number of ships that are to comprise the reduced force of surface combatants.

(3) A risk assessment for the reduced force that is based on the same assumptions as those that were applied in the QDR 2001 current force risk assessment.

(c) PRESERVATION OF SURGE CAPABILITY.—Whenever the total number of Navy ships comprising the force of surface combatants is less than 116, the Secretary of the Navy shall maintain on the Naval Vessel Register a sufficient number of surface combatant ships to enable the Navy to regain a total force of 116 surface combatant ships in active and reserve service in the Navy within 120 days after the President decides to increase the force of surface combatants.

(d) DEFINITIONS.—In this section:

(1) The term ''force of surface combatants'' means the surface combatant ships in active and reserve service in the Navy.

(2) The term ''QDR 2001 current force risk assessment'' means the risk assessment associated with a force of 116 surface combatant ships in active and reserve service in the Navy that is set forth in the report on the quadrennial defense review submitted to Congress on September 30, 2001, under section 118 of title 10, United States Code.

SEC. 1022. PLAN FOR FIELDING THE 155-MILLIMETER GUN ON A SURFACE COMBATANT.

(a) REQUIREMENT FOR PLAN.—The Secretary of the Navy shall submit to Congress a plan for fielding the 155-millimeter gun on one surface combatant ship in active service in the Navy. The Secretary shall submit the plan at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code.

(b) FIELDING ON EXPEDITED SCHEDULE.—The plan shall provide for fielding the 155-millimeter gun on an expedited schedule that is consistent with the achievement of safety of operation and fire support capabilities meeting the fire support requirements of the Marine Corps, but not later than October 1, 2006.

SEC. 1023. REPORT ON INITIATIVES TO INCREASE OPERATIONAL DAYS OF NAVY SHIPS.

(a) REQUIREMENT FOR REPORT ON INITIATIVES.—(1) The Under Secretary of Defense for Acquisition, Technology, and Logistics shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on Department of Defense initiatives to increase the number of operational days of Navy ships as described in subsection (b).

(2) The report shall cover the ongoing Department of Defense initiatives as well as potential initiatives that are under consideration within the Department of Defense.

(b) INITIATIVES WITHIN LIMITS OF EXISTING FLEET AND DEPLOYMENT POLICY.—The Under Secretary shall, in the report, assess the feasibility and identify the projected effects of conducting initiatives that have the potential to increase the number of operational days of Navy ships available to the commanders-in-chief of the regional unified combatant commands without increasing the number of Navy ships and without increasing the routine lengths of deployments of Navy ships above six months.

(c) REQUIRED FOCUS AREAS.—The report shall, at a minimum, address the following four focus areas:

(1) Assignment of additional ships, including submarines, to home ports closer to the areas of operation for the ships (known as ''forward homeporting'').

(2) Assignment of ships to remain in a forward area of operations, together with rotation of crews for each ship so assigned.

(3) Retention of ships for use until the end of the full service life, together with investment of the funds necessary to support retention to that extent.

(4) Prepositioning of additional ships with, under normal circumstances, small crews in a forward area of operations.

(d) TIME FOR SUBMITTAL.—The report shall be submitted at the same time that the President submits the budget for fiscal year 2004 to Congress under section 1105(a) of title 31, United States Code.

SEC. 1024. ANNUAL LONG-RANGE PLAN FOR THE CONSTRUCTION OF SHIPS FOR THE NAVY.

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

(1) Navy ships provide a forward presence for the United States that is a key to the national defense of the United States.

(2) The Navy has demonstrated that its ships contribute significantly to homeland defense.

(3) The Navy's ship recapitalization plan is inadequate to maintain the ship force structure that is described as the current force in the 2001 Quadrennial Defense Review.

(4) The Navy is decommissioning ships as much as 10 years earlier than the projected ship life upon which ship replacement rates are based.

(5) The current force was assessed in the 2001 Quadrennial Defense Review as having moderate to high risk, depending on the scenario considered.

(b) ANNUAL SHIP CONSTRUCTION PLAN.—(1) Chapter 9 of title 10, United States Code, is amended by adding at the end the following new section:

"§231. Annual ship construction plan

''(a) ANNUAL SHIP CONSTRUCTION PLAN.—The Secretary of Defense shall include in the defense budget materials for each fiscal year a plan for the construction of combatant and support ships for the Navy that—

''(1) supports the National Security Strategy; or

''(2) if there is no National Security Strategy in effect, supports the ship force structure called for in the report of the latest Quadrennial Defense Review.

''(b) CONTENT.—The ship construction plan included in the defense budget materials for a fiscal year shall provide in detail for the construction of combatant and support ships for the Navy over the 30 consecutive fiscal years beginning with the fiscal year covered by the defense budget materials and shall include the following matters:

''(1) A description of the necessary ship force structure of the Navy.

''(2) The estimated levels of funding necessary to carry out the plan, together with a discussion of the procurement strategies on which such estimated funding levels are based.

''(3) A certification by the Secretary of Defense that both the budget for the fiscal year covered by the defense budget materials and the future-years defense program submitted to Congress in relation to such budget under section 221 of this title provide for funding ship construction for the Navy at a level that is sufficient for the procurement of the ships provided for in the plan on schedule.

''(4) If the budget for the fiscal year provides for funding ship construction at a level that is not sufficient for the recapitalization of the force of Navy ships at the annual rate necessary to sustain the force, an assessment (coordinated with the commanders of the combatant commands in advance) that describes and discusses the risks associated with the reduced force structure that will result from funding ship construction at such insufficient level.

''(c) DEFINITIONS.—In this section:

''(1) The term 'budget', with respect to a fiscal year, means the budget for such fiscal year that is submitted to Congress by the President under section 1105(a) of title 31.

''(2) The term 'defense budget materials', with respect to a fiscal year, means the materials submitted to Congress by the Secretary of Defense in support of the budget for such fiscal year.

''(3) The term 'Quadrennial Defense Review' means the Quadrennial Defense Review that is carried out under section 118 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''231. Annual ship construction plan.''.

Subtitle C—Reporting Requirements

SEC. 1031. REPEAL AND MODIFICATION OF VARIOUS REPORTING REQUIREMENTS APPLICABLE WITH RESPECT TO THE DEPARTMENT OF DEFENSE.

(a) PROVISIONS OF TITLE 10.—Title 10, United States Code, is amended as follows:

(1)(A) Section 183 is repealed.

(B) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 183.

(2)(A) Sections 226 and 230 are repealed.

(B) The table of sections at the beginning of chapter 9 is amended by striking the items relating to sections 226 and 230.

(3) Effective two years after the date of the enactment of this Act—

(A) section 483 is repealed; and

(B) the table of sections at the beginning of chapter 23 is amended by striking the item relating to section 483.

(4) Section 526 is amended by striking subsection (c).

(5) Section 721(d) is amended—

(A) by striking paragraph (2); and

(B) by striking ''(1)'' before ''If an officer''.

(6) Section 1095(g) is amended—

(A) by striking paragraph (2); and

(B) by striking ''(1)'' after ''(g)''.

(7) Section 1798 is amended by striking subsection (d).

(8) Section 1799 is amended by striking subsection (d).

(9) Section 2220 is amended—

(A) by striking subsections (b) and (c);

(B) by striking ''(1)'' after ''ESTABLISHMENT OF GOALS.—''; and

(C) by striking ''(2) The'' and inserting ''(b) EVALUATION OF COST GOALS.—The''.

(10) Section 2350a(g) is amended by striking paragraph (4).

(11) Section 2350f is amended by striking subsection (c).

(12) Section 2350k is amended by striking subsection (d).

(13) Section 2367(d) is amended by striking ''EFFORT.—(1) In the'' and all that follows through ''(2) After the close of'' and inserting ''EFFORT.—After the close of''.

(14) Section 2391 is amended by striking subsection (c).

(15) Section 2486(b)(12) is amended by striking '', except that'' and all that follows and inserting the following: '', except that the Secretary shall notify Congress of any addition of, or change in, a merchandise category under this paragraph.''.

(16) Section 2492 is amended by striking subsection (c) and inserting the following:

''(c) NOTIFICATION OF CONDITIONS NECESSITATING RESTRICTIONS.—The Secretary of Defense shall notify Congress of any change proposed or made to any of the host nation laws or any of the treaty obligations of the United States, and any changed conditions within host nations, if the change would necessitate the use of quantity or other restrictions on purchases in commissary and exchange stores located outside the United States.''.

(17)(A) Section 2504 is repealed.

(B) The table of sections at the beginning of subchapter II of chapter 148 is amended by striking the item relating to section 2504.

(18) Section 2506—

(A) is amended by striking subsection (b); and

(B) by striking ''(a) DEPARTMENTAL GUIDANCE.—''.

(19) Section 2537(a) is amended by striking ''$100,000'' and inserting ''$10,000,000''.

(20) Section 2611 is amended by striking subsection (e).

(21) Section 2667(d) is amended by striking paragraph (3).

(22) Section 2813 is amended by striking subsection (c).

(23) Section 2827 is amended—

(A) by striking subsection (b); and

(B) by striking ''(a) Subject to subsection (b), the Secretary'' and inserting ''The Secretary''.

(24) Section 2867 is amended by striking subsection (c).

(25) Section 4416 is amended by striking subsection (f).

(26) Section 5721(f) is amended—

(A) by striking paragraph (2); and

(B) by striking ''(1)'' after the subsection heading.

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the last sentence.

(c) BALLISTIC MISSILE DEFENSE ACT OF 1995.—Section 234 of the Ballistic Missile Defense Act of 1995 (subtitle C of title II of Public Law 104–106; 10 U.S.C. 2431 note) is amended by striking subsection (f).

SEC. 1032. ANNUAL REPORT ON WEAPONS TO DEFEAT HARDENED AND DEEPLY BURIED TARGETS.

(a) ANNUAL REPORT.—Not later than April 1, 2003, and each year thereafter, the Secretary of Defense, Secretary of Energy, and Director of Central Intelligence shall jointly submit to the congressional defense committees a report on the research and development activities undertaken by their respective agencies during the preceding fiscal year to develop a weapon to defeat hardened and deeply buried targets.

(b) REPORT ELEMENTS.—The report for a fiscal year under subsection (a) shall—

(1) include a discussion of the integration and interoperability of the various programs to develop a weapon referred to in that subsection that were undertaken during such fiscal year, including a discussion of the relevance of such programs to applicable decisions of the Joint Requirements Oversight Council; and

(2) set forth separately a description of the research and development activities, if any, to develop a weapon referred to in that subsection that were undertaken during such fiscal year by each military department, the Department of Energy, and the Central Intelligence Agency.

SEC. 1033. REVISION OF DATE OF ANNUAL REPORT ON COUNTERPROLIFERATION ACTIVITIES AND PROGRAMS.

Section 1503(a) of the National Defense Authorization Act for Fiscal Year 1995 (22 U.S.C. 2751 note) is amended by striking ''February 1 of each year'' and inserting ''May 1 each year''.

SEC. 1034. QUADRENNIAL QUALITY OF LIFE REVIEW.

(a) REQUIREMENT FOR REVIEW.—Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 488. Quadrennial quality of life review

''(a) REVIEW REQUIRED.—(1) The Secretary of Defense shall every four years, two years after the submission of the quadrennial defense review to Congress under section 118 of this title, conduct a comprehensive examination of the quality of life of the members of the armed forces (to be known as the 'quadrennial quality of life review'). The review shall include examination of the programs, projects, and activities of the Department of Defense, including the morale, welfare, and recreation activities.

''(2) The quadrennial review shall be designed to result in determinations, and to foster policies and actions, that reflect the priority given the quality of life of members of the armed forces as a primary concern of the Department of Defense leadership.

''(b) CONDUCT OF REVIEW.—Each quadrennial quality of life review shall be conducted so as—

''(1) to assess quality of life priorities and issues consistent with the most recent National Security Strategy prescribed by the President pursuant to section 108 of the National Security Act of 1947 (50 U.S.C. 404a);

''(2) to identify actions that are needed in order to provide members of the armed forces with the quality of life reasonably necessary to encourage the successful execution of the full range of missions that the members are called on to perform under the national security strategy;

''(3) to provide a full accounting of the backlog of installations in need of maintenance and repair, to determine how the disrepair affects performance and quality of life of members and their families, and to identify the budget plan that would be required to provide the resources necessary to remedy the backlog of maintenance and repair; and

''(4) to identify other actions that have the potential for improving the quality of life of the members of the armed forces.

''(c) CONSIDERATIONS.—Among the matters considered by the Secretary in conducting the quadrennial review, the Secretary shall include the following matters:

''(1) Infrastructure.

''(2) Military construction.

''(3) Physical conditions at military installations and other Department of Defense facilities.

''(4) Budget plans.

''(5) Adequacy of medical care for members of the armed forces and their dependents.

''(6) Adequacy of housing and the basic allowance for housing and basic allowance for subsistence.

''(7) Housing-related utility costs.

''(8) Educational opportunities and costs.

''(9) Length of deployments.

''(10) Rates of pay, and pay differentials between the pay of members and the pay of civilians.

''(11) Retention and recruiting efforts.

''(12) Workplace safety.

''(13) Support services for spouses and children.

''(14) Other elements of Department of Defense programs and Federal Government policies and programs that affect the quality of life of members.

''(d) SUBMISSION OF QQLR TO CONGRESSIONAL COMMITTEES.—The Secretary shall submit a report on each quadrennial quality of life review to the Committees on Armed Services of the Senate and the House of Representatives. The report shall be submitted not later than September 30 of the year in which the review is conducted. The report shall include the following:

''(1) The results of the review, including a comprehensive discussion of how the quality of life of members of the armed forces affects the national security strategy of the United States.

''(2) The long-term quality of life problems of the armed forces, together with proposed solutions.

''(3) The short-term quality of life problems of the armed forces, together with proposed solutions.

''(4) The assumptions used in the review.

''(5) The effects of quality of life problems on the morale of the members of the armed forces.

''(6) The quality of life problems that affect the morale of members of the reserve components in particular, together with solutions.

''(7) The effects of quality of life problems on military preparedness and readiness.

''(8) The appropriate ratio of—

''(A) the total amount expended by the Department of Defense in a fiscal year for programs, projects, and activities designed to improve the quality of life of members of the armed forces, to

''(B) the total amount expended by the Department of Defense in the fiscal year.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''488. Quadrennial quality of life review.''.

SEC. 1035. REPORTS ON EFFORTS TO RESOLVE WHEREABOUTS AND STATUS OF CAPTAIN MICHAEL SCOTT SPEICHER, UNITED STATES NAVY.

(a) REPORTS.— Not later than 60 days after the date of the enactment of this Act, and every 90 days thereafter, the Secretary of Defense shall, in consultation with the Secretary of State and the Director of Central Intelligence, submit to Congress a report on the efforts of the United States Government to determine the whereabouts and status of Captain Michael Scott Speicher, United States Navy.

(b) PERIOD COVERED BY REPORTS.—The first report under subsection (a) shall cover efforts described in that subsection preceding the date of the report, and each subsequent report shall cover efforts described in that subsection during the 90-day period ending on the date of such report.

(c) REPORT ELEMENTS.—Each report under subsection (a) shall describe, for the period covered by such report—

(1) all direct and indirect contacts with the Government of Iraq, or any successor government, regarding the whereabouts and status of Michael Scott Speicher;

(2) any request made to the government of another country, including the intelligence service of such country, for assistance in resolving the whereabouts and status of Michael Scott Speicher, including the response to such request;

(3) each current lead on the whereabouts and status of Michael Scott Speicher, including an assessment of the utility of such lead in resolving the whereabouts and status of Michael Scott Speicher; and

(4) any cooperation with nongovernmental organizations or international organizations in resolving the whereabouts and status of Michael Scott Speicher, including the results of such cooperation.

(d) FORM OF REPORTS.—Each report under subsection (a) shall be submitted in classified form, but may include an unclassified summary.

SEC. 1036. REPORT ON EFFORTS TO ENSURE ADEQUACY OF FIRE FIGHTING STAFFS AT MILITARY INSTALLATIONS.

Not later than Mary 31, 2003, the Secretary of Defense shall submit to Congress a report on the actions being undertaken to ensure that the fire fighting staffs at military installations are adequate under applicable Department of Defense regulations.

SEC. 1037. REPORT ON DESIGNATION OF CERTAIN LOUISIANA HIGHWAY AS DEFENSE ACCESS ROAD.

Not later than March 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report containing the results of a study on the advisability of designating Louisiana Highway 28 between Alexandria, Louisiana, and Leesville, Louisiana, a road providing access to the Joint Readiness Training Center, Louisiana, and to Fort Polk, Louisiana, as a defense access road for purposes of section 210 of title 23, United States Code.

SEC. 1038. PLAN FOR FIVE-YEAR PROGRAM FOR ENHANCEMENT OF MEASUREMENT AND SIGNATURES INTELLIGENCE CAPABILITIES.

(a) FINDING.—Congress finds that the national interest will be served by the rapid exploitation of basic research on sensors for purposes of enhancing the measurement and signatures intelligence (MASINT) capabilities of the Federal Government.

(b) PLAN FOR PROGRAM.—(1) Not later than March 30, 2003, the Director of the Central Measurement and Signatures Intelligence Office shall submit to Congress a plan for a five-year program of research intended to provide for the incorporation of the results of basic research on sensors into the measurement and signatures intelligence systems fielded by the Federal Government, including the review and assessment of basic research on sensors for that purpose.

(2) Activities under the plan shall be carried out by a consortium consisting of such governmental and non-governmental entities as the Director considers appropriate for purposes of incorporating the broadest practicable range of sensor capabilities into the systems referred to in paragraph (1). The consortium may include national laboratories, universities, and private sector entities.

(3) The plan shall include a proposal for the funding of activities under the plan, including cost-sharing by non-governmental participants in the consortium under paragraph (2).

SEC. 1039. REPORT ON VOLUNTEER SERVICES OF MEMBERS OF THE RESERVE COMPONENTS IN EMERGENCY RESPONSE TO THE TERRORIST ATTACKS OF SEPTEMBER 11, 2001.

(a) REQUIREMENT FOR REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on volunteer services described in subsection (b) that were provided by members of the National Guard and other reserve components of the Armed Forces, while not in a duty status pursuant to orders, during the period of September 11 through 14, 2001. The report shall include a discussion of any personnel actions that the Secretary considers appropriate for the members regarding the performance of such services.

(b) COVERED SERVICES.—The volunteer services referred to in subsection (a) are as follows:

(1) Volunteer services provided in the vicinity of the site of the World Trade Center, New York, New York, in support of emergency response to the terrorist attack on the World Trade Center on September 11, 2001.

(2) Volunteer services provided in the vicinity of the Pentagon in support of emergency response to the terrorist attack on the Pentagon on September 11, 2001.

SEC. 1040. BIANNUAL REPORTS ON CONTRIBUTIONS TO PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND DELIVERY SYSTEMS BY COUNTRIES OF PROLIFERATION CONCERN.

(a) REPORTS.—Not later than six months after the date of the enactment of this Act, and every six months thereafter, the President shall submit to Congress a report identifying each foreign person that, during the six-month period ending on the date of such report, made a material contribution to the development by a country of proliferation concern of—

(1) nuclear, biological, or chemical weapons; or

(2) ballistic or cruise missile systems.

(b) FORM OF SUBMITTAL.—(1) A report under subsection (a) may be submitted in classified form, whether in whole or in part, if the President determines that submittal in that form is advisable.

(2) Any portion of a report under subsection (a) that is submitted in classified form shall be accompanied by an unclassified summary of such portion.

(c) DEFINITIONS.—In this section:

(1) The term ''foreign person'' means—

(A) a natural person that is an alien;

(B) a corporation, business association, partnership, society, trust, or any other nongovernmental entity, organization, or group that is organized under the laws of a foreign country or has its principal place of business in a foreign country;

(C) any foreign governmental entity operating as a business enterprise; and

(D) any successor, subunit, or subsidiary of any entity described in subparagraph (B) or (C).

(2) The term ''country of proliferation concern'' means any country identified by the Director of Central Intelligence as having engaged in the acquisition of dual-use and other technology useful for the development or production of weapons of mass destruction (including nuclear, chemical, and biological weapons) and advanced conventional munitions in the most current report under section 721 of the Combatting Proliferation of Weapons of Mass Destruction Act of 1996 (title VII of Public Law 104–293; 50 U.S.C. 2366), or any successor report on the acquisition by foreign countries of dual-use and other technology useful for the development or production of weapons of mass destruction.

Subtitle D—Homeland Defense

SEC. 1041. HOMELAND SECURITY ACTIVITIES OF THE NATIONAL GUARD.

(a) AUTHORITY.—Chapter 1 of title 32, United States Code, is amended by adding at the end the following new section:

''§ 116. Homeland security activities

''(a) USE OF PERSONNEL PERFORMING FULL-TIME NATIONAL GUARD DUTY.—The Governor of a State may, upon the request by the head of a Federal law enforcement agency and with the concurrence of the Secretary of Defense, order any personnel of the National Guard of the State to perform full-time National Guard duty under section 502(f) of this title for the purpose of carrying out homeland security activities, as described in subsection (b).

''(b) PURPOSE AND DURATION.—(1) The purpose for the use of personnel of the National Guard of a State under this section is to temporarily provide trained and disciplined personnel to a Federal law enforcement agency to assist that agency in carrying out homeland security activities until that agency is able to recruit and train a sufficient force of Federal employees to perform the homeland security activities.

''(2) The duration of the use of the National Guard of a State under this section shall be limited to a period of 179 days. The Governor of the State may, with the concurrence of the Secretary of Defense, extend the period one time for an additional 90 days to meet extraordinary circumstances.

''(c) RELATIONSHIP TO REQUIRED TRAINING.—A member of the National Guard serving on full-time National Guard duty under orders authorized under subsection (a) shall participate in the training required under section 502(a) of this title in addition to the duty performed for the purpose authorized under that subsection. The pay, allowances, and other benefits of the member while participating in the training shall be the same as those to which the member is entitled while performing duty for the purpose of carrying out homeland security activities. The member is not entitled to additional pay, allowances, or other benefits for participation in training required under section 502(a)(1) of this title.

''(d) READINESS.—To ensure that the use of units and personnel of the National Guard of a State for homeland security activities does not degrade the training and readiness of such units and personnel, the following requirements shall apply in determining the homeland security activities that units and personnel of the National Guard of a State may perform:

''(1) The performance of the activities may not adversely affect the quality of that training or otherwise interfere with the ability of a member or unit of the National Guard to perform the military functions of the member or unit.

''(2) National Guard personnel will not degrade their military skills as a result of performing the activities.

''(3) The performance of the activities will not result in a significant increase in the cost of training.

''(4) In the case of homeland security performed by a unit organized to serve as a unit, the activities will support valid unit training requirements.

''(e) PAYMENT OF COSTS.—(1) The Secretary of Defense shall provide funds to the Governor of a State to pay costs of the use of personnel of the National Guard of the State for the performance of homeland security activities under this section. Such funds shall be used for the following costs:

''(A) The pay, allowances, clothing, subsistence, gratuities, travel, and related expenses (including all associated training expenses, as determined by the Secretary), as authorized by State law, of personnel of the National Guard of that State used, while not in Federal service, for the purpose of homeland security activities.

''(B) The operation and maintenance of the equipment and facilities of the National Guard of that State used for the purpose of homeland security activities.

''(2) The Secretary of Defense shall require the head of a law enforcement agency receiving support from the National Guard of a State in the performance of homeland security activities under this section to reimburse the Department of Defense for the payments made to the State for such support under paragraph (1).

''(f) MEMORANDUM OF AGREEMENT.—The Secretary of Defense and the Governor of a State shall enter into a memorandum of agreement with the head of each Federal law enforcement agency to which the personnel of the National Guard of that State are to provide support in the performance of homeland security activities under this section. The memorandum of agreement shall—

''(1) specify how personnel of the National Guard are to be used in homeland security activities;

''(2) include a certification by the Adjutant General of the State that those activities are to be performed at a time when the personnel are not in Federal service;

''(3) include a certification by the Adjutant General of the State that—

''(A) participation by National Guard personnel in those activities is service in addition to training required under section 502 of this title; and

''(B) the requirements of subsection (d) of this section will be satisfied;

''(4) include a certification by the Attorney General of the State (or, in the case of a State

with no position of Attorney General, a civilian official of the State equivalent to a State attorney general), that the use of the National Guard of the State for the activities provided for under the memorandum of agreement is authorized by, and is consistent with, State law;

''(5) include a certification by the Governor of the State or a civilian law enforcement official of the State designated by the Governor that the activities provided for under the memorandum of agreement serve a State law enforcement purpose; and

''(6) include a certification by the head of the Federal law enforcement agency that the agency will have a plan to ensure that the agency's requirement for National Guard support ends not later than 179 days after the commencement of the support.

''(g) EXCLUSION FROM END-STRENGTH COMPUTATION.—Notwithstanding any other provision of law, members of the National Guard on active duty or full-time National Guard duty for the purposes of administering (or during fiscal year 2003 otherwise implementing) this section shall not be counted toward the annual end strength authorized for reserves on active duty in support of the reserve components of the armed forces or toward the strengths authorized in sections 12011 and 12012 of title 10.

''(h) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress an annual report regarding any assistance provided and activities carried out under this section during the preceding fiscal year. The report shall include the following:

''(1) The number of members of the National Guard excluded under subsection (g) from the computation of end strengths.

''(2) A description of the homeland security activities conducted with funds provided under this section.

''(3) An accounting of the amount of funds provided to each State.

''(4) A description of the effect on military training and readiness of using units and personnel of the National Guard to perform homeland security activities under this section.

''(i) STATUTORY CONSTRUCTION.—Nothing in this section shall be construed as a limitation on the authority of any unit of the National Guard of a State, when such unit is not in Federal service, to perform law enforcement functions authorized to be performed by the National Guard by the laws of the State concerned.

''(j) DEFINITIONS.—For purposes of this section:

''(1) The term 'Governor of a State' means, in the case of the District of Columbia, the Commanding General of the National Guard of the District of Columbia.

''(2) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or a territory or possession of the United States.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such section is amended by adding at the end the following new item:

''116. Homeland security activities.''.

SEC. 1042. CONDITIONS FOR USE OF FULL-TIME RESERVES TO PERFORM DUTIES RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION.

Section 12310(c)(3) of title 10, United States Code, is amended by striking ''only—'' and all that follows through ''(B) while assigned'' and inserting ''only while assigned''.

SEC. 1043. WEAPON OF MASS DESTRUCTION DEFINED FOR PURPOSES OF THE AUTHORITY FOR USE OF RESERVES TO PERFORM DUTIES RELATING TO DEFENSE AGAINST WEAPONS OF MASS DESTRUCTION.

(a) WEAPON OF MASS DESTRUCTION REDEFINED.—Section 12304(i)(2) of title 10, United States Code, is amended to read as follows:

''(2) The term 'weapon of mass destruction' means—

''(A) any weapon that is designed or, through its use, is intended to cause death or serious bodily injury through the release, dissemination, or impact of toxic or poisonous chemicals or their precursors;

''(B) any weapon that involves a disease organism;

''(C) any weapon that is designed to release radiation or radioactivity at a level dangerous to human life; and

''(D) any large conventional explosive that is designed to produce catastrophic loss of life or property.''.

(b) CONFORMING AMENDMENT.—Section 12310(c)(1) of such title is amended by striking ''section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302(1))'' and inserting ''section 12304(i)(2) of this title''.

SEC. 1044. REPORT ON DEPARTMENT OF DEFENSE HOMELAND DEFENSE ACTIVITIES.

(a) REPORT REQUIRED.—Not later than February 1, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on what actions of the Department of Defense would be necessary to carry out the Secretary's expressed intent—

(1) to place new emphasis on the unique operational demands associated with the defense of the United States homeland; and

(2) to restore the mission of defense of the United States to the position of being the primary mission of the Department of Defense.

(b) CONTENT OF THE REPORT.—The report shall contain, in accordance with the other provisions of this section, the following matters:

(1) HOMELAND DEFENSE CAMPAIGN PLAN.—A homeland defense campaign plan.

(2) INTELLIGENCE.—A discussion of the relationship between—

(A) the intelligence capabilities of—

(i) the Department of Defense; and

(ii) other departments and agencies of the United States; and

(B) the performance of the homeland defense mission.

(3) THREAT AND VULNERABILITY ASSESSMENT.—A compliance-based national threat and vulnerability assessment.

(4) TRAINING AND EXERCISING.—A discussion of the Department of Defense plans for training and exercising for the performance of the homeland defense mission.

(5) BIOTERRORISM INITIATIVE.—An evaluation of the need for a Department of Defense bioterrorism initiative to improve the ability of the department to counter bioterror threats and to assist other agencies to improve the national ability to counter bioterror threats.

(6) CHEMICAL BIOLOGICAL INCIDENT RESPONSE TEAMS.—An evaluation of the need for and feasibility of developing and fielding Department of Defense regional chemical biological incident response teams.

(7) OTHER MATTERS.—Any other matters that the Secretary of Defense considers relevant regarding the efforts necessary to carry out the intent referred to in subsection (a).

(c) HOMELAND DEFENSE CAMPAIGN PLAN.—

(1) ORGANIZATION, PLANNING, AND INTEROPERABILITY.—

(A) IN GENERAL.—The homeland defense campaign plan under subsection (b)(1) shall contain a discussion of the organization and planning of the Department of Defense for homeland defense, including the expectations for interoperability of the Department of Defense with other departments and agencies of the Federal Government and with State and local governments.

(B) CONTENT.—The plan shall include the following matters:

(i) The duties, definitions, missions, goals, and objectives of organizations in the Department of Defense that apply homeland defense, together with an organizational assessment with respect to the performance of the homeland defense mission and a discussion of any plans for making functional realignments of organizations, authorities, and responsibilities for carrying out that mission.

(ii) The relationships among the leaders of the organizations (including the Secretary of Defense, the Joint Chiefs of Staff, the Commander in Chief of United States Northern Command, the Commanders in Chief of the other regional unified combatant commands, and the reserve components) in the performance of such duties.

(iii) The reviews, evaluations, and standards that are established or are to be established for determining and ensuring the readiness of the organizations to perform such duties.

(2) RESPONSE TO ATTACK ON CRITICAL INFRASTRUCTURE.—

(A) IN GENERAL.—The homeland defense campaign plan shall contain an outline of the duties and capabilities of the Department of Defense for responding to an attack on critical infrastructure of the United States, including responding to an attack on critical infrastructure of the department, by means of a weapon of mass destruction or a CBRNE weapon or by a cyber means.

(B) VARIOUS ATTACK SCENARIOS.—The outline shall specify, for each major category of attack by a means described in subparagraph (A), the variations in the duties, responses, and capabilities of the various Department of Defense organizations that result from the variations in the means of the attack.

(C) DEFICIENCIES.—The outline shall identify any deficiencies in capabilities and set forth a plan for rectifying any such deficiencies.

(D) LEGAL IMPEDIMENTS.—The outline shall identify and discuss each impediment in law to the effective performance of the homeland defense mission.

(3) ROLES AND RESPONSIBILITIES IN INTERAGENCY PROCESS.—

(A) IN GENERAL.—The homeland defense campaign plan shall contain a discussion of the roles and responsibilities of the Department of Defense in the interagency process of policymaking and planning for homeland defense.

(B) INTEGRATION WITH STATE AND LOCAL ACTIVITIES.—The homeland defense campaign plan shall include a discussion of Department of Defense plans to integrate Department of Defense homeland defense activities with the homeland defense activities of other departments and agencies of the United States and the homeland defense activities of State and local governments, particularly with regard to issues relating to CBRNE and cyber attacks.

(d) INTELLIGENCE CAPABILITIES.—The discussion of the relationship between the intelligence capabilities and the performance of the homeland defense mission under subsection (b)(2) shall include the following matters:

(1) ROLES AND MISSIONS.—The roles and missions of the Department of Defense for the employment of the intelligence capabilities of the department in homeland defense.

(2) INTERAGENCY RELATIONSHIPS.—A discussion of the relationship between the Department of Defense and the other departments and agencies of the United States that have duties for collecting or analyzing intelligence in relation to homeland defense, particularly in light of the conflicting demands of duties relating to the collection and analysis of domestic intelligence and duties relating to the collection and analysis of foreign intelligence.

(3) INTELLIGENCE-RELATED CHANGES.—Any changes that are necessary in the Department of Defense in order to provide effective intelligence support for the performance of homeland defense missions, with respect to—

(A) the preparation of threat assessments and other warning products by the Department of Defense;

(B) collection of terrorism-related intelligence through human intelligence sources, signals intelligence sources, and other intelligence sources; and

(C) intelligence policy, capabilities, and practices.

(4) LEGAL IMPEDIMENTS.—Any impediments in law to the effective performance of intelligence missions in support of homeland defense.

(e) THREAT AND VULNERABILITY ASSESSMENT.—

(1) CONTENT.—The compliance-based national threat and vulnerability assessment under subsection (b)(3) shall include a discussion of the following matters:

(A) CRITICAL FACILITIES.—The threat of terrorist attack on critical facilities, programs, and systems of the United States, together with the capabilities of the Department of Defense to deter and respond to any such attack.

(B) DOD VULNERABILITY.—The vulnerability of installations, facilities, and personnel of the Department of Defense to attack by persons using weapons of mass destruction, CBRNE weapons, or cyber means.

(C) BALANCED SURVIVABILITY ASSESSMENT.—Plans to conduct a balanced survivability assessment for use in determining the vulnerabilities of targets referred to in subparagraphs (A) and (B).

(D) PROCESS.—Plans, including timelines and milestones, necessary to develop a process for conducting compliance-based vulnerability assessments for critical infrastructure, together with the standards to be used for ensuring that the process is executable.

(2) DEFINITION OF COMPLIANCE-BASED.—In subsection (b)(3) and paragraph (1)(D) of this subsection, the term ''compliance-based'', with respect to an assessment, means that the assessment is conducted under policies and procedures that require correction of each deficiency identified in the assessment to a standard set forth in Department of Defense Instruction 2000.16 or another applicable Department of Defense instruction, directive, or policy.

(f) TRAINING AND EXERCISING.—The discussion of the Department of Defense plans for training and exercising for the performance of the homeland defense mission under subsection (b)(4) shall contain the following matters:

(1) MILITARY EDUCATION.—The plans for the training and education of members of the Armed Forces specifically for performance of homeland defense missions, including any anticipated changes in the curriculum in—

(A) the National Defense University, the war colleges of the Armed Forces, graduate education programs, and other senior military schools and education programs; and

(B) the Reserve Officers' Training Corps program, officer candidate schools, enlisted and officer basic and advanced individual training programs, and other entry level military education and training programs.

(2) EXERCISES.—The plans for using exercises and simulation in the training of all components of the Armed Forces, including—

(A) plans for integrated training with departments and agencies of the United States outside the Department of Defense and with agencies of State and local governments; and

(B) plans for developing an opposing force that, for the purpose of developing potential scenarios of terrorist attacks on targets inside the United States, simulates a terrorist group having the capability to engage in such attacks.

(g) BIOTERRORISM INITIATIVE.—The evaluation of the need for a Department of Defense bioterrorism initiative under subsection (b)(5) shall include a discussion that identifies and evaluates options for potential action in such an initiative, as follows:

(1) PLANNING, TRAINING, EXERCISE, EVALUATION, AND FUNDING.—Options for—

(A) refining the plans of the Department of Defense for biodefense to include participation of other departments and agencies of the United States and State and local governments;

(B) increasing biodefense training, exercises, and readiness evaluations by the Department of Defense, including training, exercises, and evaluations that include participation of other departments and agencies of the United States and State and local governments;

(C) increasing Department of Defense funding for biodefense; and

(D) integrating other departments and agencies of the United States and State and local governments into the plans, training, exercises, evaluations, and resourcing.

(2) DISEASE SURVEILLANCE.—Options for the Department of Defense to develop an integrated disease surveillance detection system and to improve systems for communicating information and warnings of the incidence of disease to recipients within the Department of Defense and to other departments and agencies of the United States and State and local governments.

(3) EMERGENCY MANAGEMENT STANDARD.—Options for broadening the scope of the Revised Emergency Management Standard of the Joint Commission on Accreditation of Healthcare Organizations by including the broad and active participation of Federal, State, and local governmental agencies that are expected to respond in any event of a CBRNE or cyber attack.

(4) LABORATORY RESPONSE NETWORK.—Options for the Department of Defense—

(A) to participate in the laboratory response network for bioterrorism; and

(B) to increase the capacity of Department of Defense laboratories rated by the Secretary of Defense as level D laboratories to facilitate participation in the network.

(h) CHEMICAL BIOLOGICAL INCIDENT RESPONSE TEAMS.—The evaluation of the need for and feasibility of developing and fielding Department of Defense regional chemical biological incident response teams under subsection (b)(6) shall include a discussion and evaluation of the following options:

(1) REGIONAL TEAMS.—Options for the Department of Defense, using the chemical biological incident response force as a model, to develop, equip, train, and provide transportation for five United States based, strategically located, regional chemical biological incident response teams.

(2) RESOURCING.—Options and preferred methods for providing the resources and personnel necessary for developing and fielding any such teams.

(i) DEFINITIONS.—In this section:

(1) CBRNE.—The term ''CBRNE'' means chemical, biological, radiological, nuclear, or explosive.

(2) WEAPON OF MASS DESTRUCTION.—The term ''weapon of mass destruction'' has the meaning given such term in section 1403 of the Defense Against Weapons of Mass Destruction Act of 1996 (50 U.S.C. 2302).

SEC. 1045. STRATEGY FOR IMPROVING PREPAREDNESS OF MILITARY INSTALLATIONS FOR INCIDENTS INVOLVING WEAPONS OF MASS DESTRUCTION.

(a) COMPREHENSIVE PLAN.—The Secretary of Defense shall develop a comprehensive plan for improving the preparedness of military installations for preventing and responding to incidents involving use or threat of use of weapons of mass destruction.

(b) CONTENT.—The comprehensive plan shall set forth the following:

(1) A strategy that—

(A) identifies—

(i) long-term goals and objectives;

(ii) resource requirements; and

(iii) factors beyond the control of the Secretary that could impede the achievement of the goals and objectives; and

(B) includes a discussion of—

(i) the extent to which local, regional, or national military response capabilities are to be developed and used; and

(ii) how the Secretary will coordinate these capabilities with local, regional, or national civilian capabilities.

(2) A performance plan that—

(A) provides a reasonable schedule, with milestones, for achieving the goals and objectives of the strategy;

(B) performance criteria for measuring progress in achieving the goals and objectives;

(C) a description of the process, together with a discussion of the resources, necessary to achieve the goals and objectives;

(D) a description of the process for evaluating results.

(c) SUBMITTAL TO CONGRESS.—The Secretary shall submit the comprehensive plan to the Committees on Armed Services of the Senate and the House of Representatives not later than 180 days after the date of the enactment of this Act.

(d) COMPTROLLER GENERAL REVIEW AND REPORT.—Not later than 60 days after the Secretary submits the comprehensive plan to Congress under subsection (c), the Comptroller General shall review the plan and submit an assessment of the plan to the committees referred to in that subsection.

(e) ANNUAL REPORT.—(1) In each of 2004, 2005, and 2006, the Secretary of Defense shall include a report on the comprehensive plan in the materials that the Secretary submits to Congress in support of the budget submitted by the President such year pursuant to section 1105(a) of title 31, United States Code.

(2) The report shall include—

(A) a discussion of any revision that the Secretary has made in the comprehensive plan since the last report; and

(B) an assessment of the progress made in achieving the goals and objectives of the strategy set forth in the plan.

(3) No report is required under this subsection after the Secretary submits under this subsection a report containing a declaration that the goals and objectives set forth in the strategy have been achieved.

Subtitle E—Other Matters

SEC. 1061. CONTINUED APPLICABILITY OF EXPIRING GOVERNMENTWIDE INFORMATION SECURITY REQUIREMENTS TO THE DEPARTMENT OF DEFENSE.

(a) IN GENERAL.—Chapter 131 of title 10, United States Code, is amended by inserting after section 2224 the following new section:

''§ 2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense

''(a) IN GENERAL.—The provisions of subchapter II of chapter 35 of title 44 shall continue to apply with respect to the Department of Defense, notwithstanding the expiration of authority under section 3536 of such title.

''(b) RESPONSIBILITIES.—In administering the provisions of subchapter II of chapter 35 of title 44 with respect to the Department of Defense after the expiration of authority under section 3536 of such title, the Secretary of Defense shall perform the duties set forth in that subchapter for the Director of the Office of Management and Budget.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2224 the following new item:

''2224a. Information security: continued applicability of expiring Governmentwide requirements to the Department of Defense.''.

SEC. 1062. ACCEPTANCE OF VOLUNTARY SERVICES OF PROCTORS FOR ADMINISTRATION OF ARMED SERVICES VOCATIONAL APTITUDE BATTERY.

Section 1588(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(6) Voluntary services as a proctor for the administration of the Armed Services Vocational Aptitude Battery.''.

SEC. 1063. EXTENSION OF AUTHORITY FOR SECRETARY OF DEFENSE TO SELL AIRCRAFT AND AIRCRAFT PARTS FOR USE IN RESPONDING TO OIL SPILLS.

(a) FOUR-YEAR EXTENSION.—Subsection (a)(1) of section 740 of the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (Public Law 106–181; 114 Stat. 173; 10 U.S.C. 2576 note) is amended by striking ''September 30, 2002'' and inserting ''September 30, 2006''.

(b) ADDITIONAL REPORT.—Subsection (f) of such section is amended by striking ''March 31, 2002'' and inserting ''March 31, 2006''.

SEC. 1064. AMENDMENTS TO IMPACT AID PROGRAM.

(a) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—Section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) is amended by adding at the end the following:

''(H) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—

''(i) IN GENERAL.—For any fiscal year beginning with fiscal year 2003, a heavily impacted local educational agency that received a basic support payment under subparagraph (A) for the prior fiscal year, but is ineligible for such payment for the current fiscal year under subparagraph (B) or (C), as the case may be, by reason of the conversion of military housing units to private housing described in clause (ii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be, for the period during which the housing units are undergoing such conversion, and shall be paid under the same provisions of subparagraph (D) or (E) as the agency was paid in the prior fiscal year.

''(ii) CONVERSION OF MILITARY HOUSING UNITS TO PRIVATE HOUSING DESCRIBED.—For purposes of clause (i), 'conversion of military housing units to private housing' means the conversion of military housing units to private housing units pursuant to subchapter IV of chapter 169 of title 10, United States Code, or pursuant to any other related provision of law.''.

(b) COTERMINOUS MILITARY SCHOOL DISTRICTS.—Section 8003(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(a)) is amended by adding at the end the following:

''(6) COTERMINOUS MILITARY SCHOOL DISTRICTS.—For purposes of computing the amount of a payment for a local educational agency for children described in paragraph (1)(D)(i), the Secretary shall consider such children to be children described in paragraph (1)(B) if the agency is a local educational agency whose boundaries are the same as a Federal military installation.''.

SEC. 1065. DISCLOSURE OF INFORMATION ON SHIPBOARD HAZARD AND DEFENSE PROJECT TO DEPARTMENT OF VETERANS AFFAIRS.

(a) PLAN FOR DISCLOSURE OF INFORMATION.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress and the Secretary of Veterans Affairs a comprehensive plan for the review, declassification, and submittal to the Department of Veterans Affairs of all medical records and information of the Department of Defense on the Shipboard Hazard and Defense (SHAD) project of the Navy that are relevant to the provision of benefits by the Secretary of Veterans Affairs to members of the Armed Forces who participated in that project.

(b) PLAN REQUIREMENTS.—(1) The records and information covered by the plan under subsection (a) shall be the records and information necessary to permit the identification of members of the Armed Forces who were or may have been exposed to chemical or biological agents as a result of the Shipboard Hazard and Defense project.

(2) The plan shall provide for completion of all activities contemplated by the plan not later than one year after the date of the enactment of this Act.

(c) REPORTS ON IMPLEMENTATION.—(1) Not later than 90 days after the date of the enactment of this Act, and every 90 days thereafter until completion of all activities contemplated by the plan under subsection (a), the Secretary of Defense shall submit to Congress and the Secretary of Veterans Affairs a report on progress in the implementation of the plan during the 90-day period ending on the date of such report.

(2) Each report under paragraph (1) shall include, for the period covered by such report—

(A) the number of records reviewed;

(B) each test, if any, under the Shipboard Hazard and Defense project identified during such review;

(C) for each test so identified—

(i) the test name;

(ii) the test objective;

(iii) the chemical or biological agent or agents involved; and

(iv) the number of members of the Armed Forces, and civilian personnel, potentially effected by such test; and

(D) the extent of submittal of records and information to the Secretary of Veterans Affairs under this section.

SEC. 1066. TRANSFER OF HISTORIC DF–9E PANTHER AIRCRAFT TO WOMEN AIRFORCE SERVICE PILOTS MUSEUM.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may convey, without consideration, to the Women Airforce Service Pilots Museum in Quartzsite, Arizona (in this section referred to as the ''W.A.S.P. museum''), all right, title, and interest of the United States in and to a DF–9E Panther aircraft (Bureau Number 125316). The conveyance shall be made by means of a conditional deed of gift.

(b) CONDITION OF AIRCRAFT.—The aircraft shall be conveyed under subsection (a) in ''as is'' condition. The Secretary is not required to repair or alter the condition of the aircraft before conveying ownership of the aircraft.

(c) REVERTER UPON BREACH OF CONDITIONS.—The Secretary shall include in the instrument of conveyance of the aircraft under subsection (a)—

(1) a condition that the W.A.S.P. museum not convey any ownership interest in, or transfer possession of, the aircraft to any other party without the prior approval of the Secretary; and

(2) a condition that if the Secretary determines at any time that the W.A.S.P. museum has conveyed an ownership interest in, or transferred possession of, the aircraft to any other party without the prior approval of the Secretary, all right, title, and interest in and to the aircraft, including any repair or alteration of the aircraft, shall revert to the United States, and the United States shall have the right of immediate possession of the aircraft.

(d) CONVEYANCE AT NO COST TO THE UNITED STATES.—The conveyance of the aircraft under subsection (a) shall be made at no cost to the United States. Any costs associated with the conveyance, costs of determining compliance with subsection (b), and costs of operation and maintenance of the aircraft conveyed shall be borne by the W.A.S.P. museum.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 1067. REWARDS FOR ASSISTANCE IN COMBATING TERRORISM.

(a) AUTHORITY.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127a the following new section:

''§ 127b. Rewards for assistance in combating terrorism

''(a) AUTHORITY.—The Secretary of Defense may pay a monetary reward to a person for providing United States personnel with information or nonlethal assistance that is beneficial to—

''(1) an operation of the armed forces conducted outside the United States against international terrorism; or

''(2) force protection of the armed forces.

''(b) MAXIMUM AMOUNT.—The amount of a reward paid to a recipient under this section may not exceed $200,000.

''(c) DELEGATION TO COMMANDER OF COMBATANT COMMAND.—(1) The Secretary of Defense may delegate to the commander of a combatant command authority to pay a reward under this section in an amount not in excess of $50,000.

''(2) A commander to whom authority to pay rewards is delegated under paragraph (1) may further delegate authority to pay a reward under this section in an amount not in excess of $2,500.

''(c) COORDINATION.—(1) The Secretary of Defense, in consultation with the Secretary of State and the Attorney General, shall prescribe policies and procedures for offering and paying rewards under this section, and otherwise for administering the authority under this section, that ensure that the payment of a reward under this section does not duplicate or interfere with the payment of a reward authorized by the Secretary of State or the Attorney General.

''(2) The Secretary of Defense shall coordinate with the Secretary of State regarding any payment of a reward in excess of $100,000 under this section.

''(d) PERSONS NOT ELIGIBLE.—The following persons are not eligible to receive an award under this section:

''(1) A citizen of the United States.

''(2) An employee of the United States.

''(3) An employee of a contractor of the United States.

''(e) ANNUAL REPORT.—(1) Not later than 60 days after the end of each fiscal year, the Secretary of Defense shall submit to the Committees on Armed Services and the Committees on Appropriations of the Senate and the House of Representatives a report on the administration of the rewards program during that fiscal year.

''(2) The report for a fiscal year shall include information on the total amount expended during that fiscal year to carry out this section, including—

''(A) a specification of the amount, if any, expended to publicize the availability of rewards; and

''(B) with respect to each award paid during that fiscal year—

''(i) the amount of the reward;

''(ii) the recipient of the reward; and

''(iii) a description of the information or assistance for which the reward was paid, together with an assessment of the significance of the information or assistance.

''(3) The Secretary may submit the report in classified form if the Secretary determines that it is necessary to do so.

''(f) DETERMINATIONS BY THE SECRETARY.—A determination by the Secretary under this section shall be final and conclusive and shall not be subject to judicial review.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127a the following new item:

''127b. Rewards for assistance in combating terrorism.''.

SEC. 1068. PROVISION OF SPACE AND SERVICES TO MILITARY WELFARE SOCIETIES.

(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—Chapter 152 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2566. Space and services: provision to military welfare societies

''(a) AUTHORITY TO PROVIDE SPACE AND SERVICES.—The Secretary of a military department may provide, without charge, space and services under the jurisdiction of that Secretary to a military welfare society.

''(b) DEFINITIONS.—In this section:

''(1) The term 'military welfare society' means the following:

''(A) The Army Emergency Relief Society.

''(B) The Navy-Marine Corps Relief Society.

''(C) The Air Force Aid Society, Inc.

''(2) The term 'services' includes lighting, heating, cooling, electricity, office furniture, office machines and equipment, telephone and other information technology services (including installation of lines and equipment, connectivity, and other associated services), and security systems (including installation and other associated expenses).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2566. Space and services: provision to military welfare societies.''.

SEC. 1069. COMMENDATION OF MILITARY CHAPLAINS.

(a) FINDINGS.—Congress finds the following:

(1) Military chaplains have served with those who fought for the cause of freedom since the founding of the Nation.

(2) Military chaplains and religious support personnel of the Armed Forces have served with distinction as uniformed members of the Armed Forces in support of the Nation's defense missions during every conflict in the history of the United States.

(3) 400 United States military chaplains have died in combat, some as a result of direct fire while ministering to fallen Americans, while others made the ultimate sacrifice as a prisoner of war.

(4) Military chaplains currently serve in humanitarian operations, rotational deployments, and in the war on terrorism.

(5) Religious organizations make up the very fabric of religious diversity and represent unparalleled levels of freedom of conscience, speech, and worship that set the United States apart from any other nation on Earth.

(6) Religious organizations have richly blessed the uniformed services by sending clergy to comfort and encourage all persons of faith in the Armed Forces.

(7) During the sinking of the USS Dorchester in February 1943 during World War II, four chaplains (Reverend Fox, Reverend Poling, Father Washington, and Rabbi Goode) gave their lives so that others might live.

(8) All military chaplains aid and assist members of the Armed Forces and their family members with the challenging issues of today's world.

(9) The current war against terrorism has brought to the shores of the United States new threats and concerns that strike at the beliefs and emotions of Americans.

(10) Military chaplains must, as never before, deal with the spiritual well-being of the members of the Armed Forces and their families.

(b) COMMENDATION.—Congress, on behalf of the Nation, expresses its appreciation for the outstanding contribution that all military chaplains make to the members of the Armed Forces and their families.

(c) PRESIDENTIAL PROCLAMATION.—The President is authorized and requested to issue a proclamation calling on the people of the United States to recognize the distinguished service of the Nation's military chaplains.

SEC. 1070. GRANT OF FEDERAL CHARTER TO KOREAN WAR VETERANS ASSOCIATION, INCORPORATED.

(a) GRANT OF CHARTER.—Part B of subtitle II of title 36, United States Code, is amended—

(1) by striking the following:

***"CHAPTER 1201—[RESERVED]"**; and*

(2) by inserting the following:

"CHAPTER 1201—KOREAN WAR VETERANS ASSOCIATION, INCORPORATED

''Sec.
''120101. Organization.
''120102. Purposes.
''120103. Membership.
''120104. Governing body.
''120105. Powers.
''120106. Restrictions.
''120107. Duty to maintain corporate and tax-exempt status.
''120108. Records and inspection.
''120109. Service of process.
''120110. Liability for acts of officers and agents.
''120111. Annual report.

"§ 120101. Organization

''(a) FEDERAL CHARTER.—Korean War Veterans Association, Incorporated (in this chapter, the 'corporation'), incorporated in the State of New York, is a federally chartered corporation.

''(b) EXPIRATION OF CHARTER.—If the corporation does not comply with the provisions of this chapter, the charter granted by subsection (a) expires.

"§ 120102. Purposes

''The purposes of the corporation are as provided in its articles of incorporation and include—

''(1) organizing, promoting, and maintaining for benevolent and charitable purposes an association of persons who have seen honorable service in the Armed Forces during the Korean War, and of certain other persons;

''(2) providing a means of contact and communication among members of the corporation;

''(3) promoting the establishment of, and establishing, war and other memorials commemorative of persons who served in the Armed Forces during the Korean War; and

''(4) aiding needy members of the corporation, their wives and children, and the widows and children of persons who were members of the corporation at the time of their death.

"§ 120103. Membership

''Eligibility for membership in the corporation, and the rights and privileges of members of the corporation, are as provided in the bylaws of the corporation.

"§ 120104. Governing body

''(a) BOARD OF DIRECTORS.—The board of directors of the corporation, and the responsibilities of the board of directors, are as provided in the articles of incorporation of the corporation.

''(b) OFFICERS.—The officers of the corporation, and the election of the officers of the corporation, are as provided in the articles of incorporation.

"§ 120105. Powers

''The corporation has only the powers provided in its bylaws and articles of incorporation filed in each State in which it is incorporated.

"§ 120106. Restrictions

''(a) STOCK AND DIVIDENDS.—The corporation may not issue stock or declare or pay a dividend.

''(b) POLITICAL ACTIVITIES.—The corporation, or a director or officer of the corporation as such, may not contribute to, support, or participate in any political activity or in any manner attempt to influence legislation.

''(c) LOAN.—The corporation may not make a loan to a director, officer, or employee of the corporation.

''(d) CLAIM OF GOVERNMENTAL APPROVAL OR AUTHORITY.—The corporation may not claim congressional approval, or the authority of the United States, for any of its activities.

"§ 120107. Duty to maintain corporate and tax-exempt status

''(a) CORPORATE STATUS.—The corporation shall maintain its status as a corporation incorporated under the laws of the State of New York.

''(b) TAX-EXEMPT STATUS.—The corporation shall maintain its status as an organization exempt from taxation under the Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.).

"§ 120108. Records and inspection

''(a) RECORDS.—The corporation shall keep—

''(1) correct and complete records of account;

''(2) minutes of the proceedings of its members, board of directors, and committees having any of the authority of its board of directors; and

''(3) at its principal office, a record of the names and addresses of its members entitled to vote on matters relating to the corporation.

''(b) INSPECTION.—A member entitled to vote on matters relating to the corporation, or an agent or attorney of the member, may inspect the records of the corporation for any proper purpose, at any reasonable time.

"§ 120109. Service of process

''The corporation shall have a designated agent in the District of Columbia to receive service of process for the corporation. Notice to or service on the agent is notice to or service on the Corporation.

"§ 120110. Liability for acts of officers and agents

''The corporation is liable for the acts of its officers and agents acting within the scope of their authority.

"§ 120111. Annual report

''The corporation shall submit an annual report to Congress on the activities of the corporation during the preceding fiscal year. The report shall be submitted at the same time as the report of the audit required by section 10101 of this title. The report may not be printed as a public document.''.

(b) CLERICAL AMENDMENT.—The table of chapters at the beginning of subtitle II of title 36, United States Code, is amended by striking the item relating to chapter 1201 and inserting the following new item:

''1201. Korean War Veterans Association, Incorporated .....120101''.

TITLE XI—DEPARTMENT OF DEFENSE CIVILIAN PERSONNEL POLICY

SEC. 1101. EXTENSION OF AUTHORITY TO PAY SEVERANCE PAY IN A LUMP SUM.

Section 5595(i)(4) of title 5, United States Code, is amended by striking ''October 1, 2003'' and inserting ''October 1, 2006''.

SEC. 1102. EXTENSION OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY.

Section 5597(e) of title 5, United States Code, is amended by striking ''September 30, 2003'' and inserting ''September 30, 2006''.

SEC. 1103. EXTENSION OF COST-SHARING AUTHORITY FOR CONTINUED FEHBP COVERAGE OF CERTAIN PERSONS AFTER SEPARATION FROM EMPLOYMENT.

Section 8905a(d)(4)(B) of title 5, United States Code, is amended—

(1) by striking ''October 1, 2003'' both places it appears and inserting ''October 1, 2006''; and

(2) by striking ''February 1, 2004'' in clause (ii) and inserting ''February 1, 2007''.

SEC. 1104. ELIGIBILITY OF NONAPPROPRIATED FUNDS EMPLOYEES TO PARTICIPATE IN THE FEDERAL EMPLOYEES LONG-TERM CARE INSURANCE PROGRAM.

Section 9001(1) of title 5, United States Code, is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking the comma at the end of subparagraph (C) and inserting ''; and''; and

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

''(D) an employee paid from nonappropriated funds referred to in section 2105(c) of this title;''.

SEC. 1105. INCREASED MAXIMUM PERIOD OF APPOINTMENT UNDER THE EXPERIMENTAL PERSONNEL PROGRAM FOR SCIENTIFIC AND TECHNICAL PERSONNEL.

Section 1101(c)(1) of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 2140; 5 U.S.C. 3104 note) is amended by striking ''4 years'' and inserting ''5 years''.

SEC. 1106. QUALIFICATION REQUIREMENTS FOR EMPLOYMENT IN DEPARTMENT OF DEFENSE PROFESSIONAL ACCOUNTING POSITIONS.

(a) PROFESSIONAL CERTIFICATION.—The Secretary of Defense may prescribe regulations that require a person employed in a professional accounting position within the Department of Defense to be a certified public accountant and that apply the requirement to all such positions or to selected positions, as the Secretary considers appropriate.

(b) WAIVERS AND EXEMPTIONS.—(1) The Secretary may include in the regulations imposing a requirement under subsection (a), as the Secretary considers appropriate—

(A) any exemption from the requirement; and

(B) authority to waive the requirement.

(2) The Secretary shall include in the regulations an exemption for persons employed in positions covered by the requirement before the date of the enactment of this Act.

(c) EXCLUSIVE AUTHORITY.—No requirement imposed under subsection (a), and no waiver or exemption provided in the regulations pursuant to subsection (b), shall be subject to review or approval by the Office of Personnel Management.

(d) DEFINITION.—For the purposes of this section, the term ''professional accounting position'' means a position in the GS–510, GS–511, or GS–505 series for which professional accounting duties are prescribed.

(e) EFFECTIVE DATE.—This section shall take effect 120 days after the date of the enactment of this Act.

SEC. 1107. HOUSING BENEFITS FOR UNACCOMPANIED TEACHERS REQUIRED TO LIVE AT GUANTANAMO BAY NAVAL STATION, CUBA.

Section 7(b) of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 905(b)) is amended—

(1) by inserting ''(1)'' after ''(b)''; and

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

''(2)(A) A teacher assigned to teach at Guantanamo Bay Naval Station, Cuba, who is not accompanied at such station by any dependent—

''(i) shall be offered for lease any available military family housing at such station that is suitable for occupancy by the teacher and is not needed to house members of the armed forces and dependents accompanying them or other civilian personnel and any dependents accompanying them; and

''(ii) for any period for which such housing is leased to the teacher, shall receive a quarters allowance in the amount determined under paragraph (1).

''(B) A teacher is entitled to the quarters allowance in accordance with subparagraph (A)(ii) without regard to whether other Government furnished quarters are available for occupancy by the teacher without charge to the teacher.''.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Subtitle A—Cooperative Threat Reduction With States of the Former Soviet Union

SEC. 1201. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2003 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2003 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1202. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $416,700,000 authorized to be appropriated to the Department of Defense for fiscal year 2003 in section 301(a)(23) for Cooperative Threat Reduction programs, not more than the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $70,500,000.

(2) For strategic nuclear arms elimination in Ukraine, $6,500,000.

(3) For weapons of mass destruction infrastructure elimination in Ukraine, $8,800,000.

(4) For weapons of mass destruction infrastructure elimination in Kazakhstan, $9,000,000.

(5) For weapons transportation security in Russia, $19,700,000.

(6) For weapons storage security in Russia, $40,000,000.

(7) For weapons of mass destruction proliferation prevention in the former Soviet Union, $40,000,000.

(8) For biological weapons proliferation prevention activities in the former Soviet Union, $55,000,000.

(9) For chemical weapons destruction in Russia, $133,600,000.

(10) For activities designated as Other Assessments/Administrative Support, $14,700,000.

(11) For defense and military contacts, $18,900,000.

(b) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2003 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (11) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2003 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(c) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraph (2), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2003 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose.

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

SEC. 1203. AUTHORIZATION OF USE OF COOPERATIVE THREAT REDUCTION FUNDS FOR PROJECTS AND ACTIVITIES OUTSIDE THE FORMER SOVIET UNION.

(a) COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.—For purposes of this section:

(1) Cooperative Threat Reduction programs are—

(A) the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note); and

(B) any other similar programs, as designated by the Secretary of Defense, to address critical emerging proliferation threats in the states of the former Soviet Union that jeopardize United States national security.

(2) Cooperative Threat Reduction funds, for a fiscal year, are the funds authorized to be appropriated for Cooperative Threat Reduction programs for that fiscal year.

(b) AUTHORIZATION OF USE OF CTR FUNDS FOR THREAT REDUCTION ACTIVITIES OUTSIDE THE FORMER SOVIET UNION.—(1) Notwithstanding any other provision of law and subject to the succeeding provisions of this section, the Secretary of Defense may obligate and expend Cooperative Threat Reduction funds for fiscal year 2003, or Cooperative Threat Reduction funds for a fiscal year before fiscal year 2003 that remain available for obligation as of the date of the enactment of this Act, for proliferation threat reduction projects and activities outside the states of the former Soviet Union if the Secretary determines that such projects and activities will—

(A) assist the United States in the resolution of critical emerging proliferation threats; or

(B) permit the United States to take advantage of opportunities to achieve long-standing United States nonproliferation goals.

(2) The amount that may be obligated under paragraph (1) in any fiscal year for projects and activities described in that paragraph may not exceed $50,000,000.

(c) AUTHORIZED USES OF FUNDS.—The authority under subsection (b) to obligate and expend Cooperative Threat Reduction funds for a project or activity includes authority to provide equipment, goods, and services for the project or activity, but does not include authority to provide cash directly to the project or activity.

(d) SOURCE AND REPLACEMENT OF FUNDS USED.—(1) The Secretary shall, to the maximum extent practicable, ensure that funds for projects and activities under subsection (b) are derived from funds that would otherwise be obligated for a range of Cooperative Threat Reduction programs, so that no particular Cooperative Threat Reduction program is the exclusive or predominant source of funds for such projects and activities.

(2) If the Secretary obligates Cooperative Threat Reduction funds under subsection (b) in a fiscal year, the first budget of the President that is submitted under section 1105(a) of title 31, United States Code, after such fiscal year shall set forth, in addition to any other amounts requested for Cooperative Threat Reduction programs in the fiscal year covered by such budget, a request for Cooperative Threat Reduction funds in the fiscal year covered by such budget in an amount equal to the amount so obligated. The request shall also set forth the Cooperative Threat Reduction program or programs for which such funds would otherwise have been obligated, but for obligation under subsection (b).

(3) Amounts authorized to be appropriated pursuant to a request under paragraph (2) shall be available for the Cooperative Threat Reduction program or programs set forth in the request under the second sentence of that paragraph.

(e) LIMITATION ON OBLIGATION OF FUNDS.—Except as provided in subsection (f), the Secretary may not obligate and expend Cooperative Threat Reduction funds for a project or activity under subsection (b) until 30 days after the date on which the Secretary submits to the congressional defense committees a report on the purpose for which the funds will be obligated and expended, and the amount of the funds to be obligated and expended.

(f) EXCEPTION.—(1) The Secretary may obligate and expend Cooperative Threat Reduction funds for a project or activity under subsection (b) without regard to subsection (e) if the Secretary determines that a critical emerging proliferation threat warrants immediate obligation and expenditure of such funds.

(2) Not later than 72 hours after first obligating funds for a project or activity under paragraph (1), the Secretary shall submit to the congressional defense committees a report containing a detailed justification for the obligation of funds. The report on a project or activity shall include the following:

(A) A description of the critical emerging proliferation threat to be addressed, or the long-standing United States nonproliferation goal to be achieved, by the project or activity.

(B) A description of the agreement, if any, under which the funds will be used, including whether or not the agreement provides that the

funds will not be used for purposes contrary to the national security interests of the United States.

(C) A description of the contracting process, if any, that will be used in the implementation of the project or activity.

(D) An analysis of the effect of the obligation of funds for the project or activity on ongoing Cooperative Threat Reduction programs.

(E) An analysis of the need for additional or follow-up threat reduction assistance, including whether or not the need for such assistance justifies the establishment of a new cooperative threat reduction program or programs to account for such assistance.

(F) A description of the mechanisms to be used by the Secretary to assure that proper audits and examinations of the project or activity are carried out.

(g) REPORT ON ESTABLISHMENT OF NEW COOPERATIVE THREAT REDUCTION PROGRAMS.—(1) If the Secretary employs the authority in subsection (b) in any two fiscal years, the Secretary shall submit to Congress a report on the advisability of establishing one or more new cooperative threat reduction programs to account for projects and activities funded using such authority.

(2) The report required by paragraph (1) shall be submitted along with the budget justification materials in support of the Department of Defense budget (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) in the first budget submitted after the end of the two consecutive fiscal years referred to in that paragraph.

SEC. 1204. WAIVER OF LIMITATIONS ON ASSISTANCE UNDER PROGRAMS TO FACILITATE COOPERATIVE THREAT REDUCTION AND NONPROLIFERATION.

(a) ASSISTANCE UNDER COOPERATIVE THREAT REDUCTION ACT OF 1993.—Section 1203 of the Cooperative Threat Reduction Act of 1993 (title XII of Public Law 103–160; 107 Stat. 1778; 22 U.S.C. 5952) is amended by adding at the end the following new subsection:

''(e) WAIVER OF RESTRICTIONS.—(1) The restrictions in subsection (d) shall cease to apply to a state for a year if the President submits to the Speaker of the House of Representative and the President pro tempore of the Senate a written certification that the waiver of such restrictions in such year is important to the national security interests of the United States, together with a report containing the following:

''(A) A description of the activity or activities that prevent the President from certifying that the state is committed to the matters set forth in subsection (d) in such year as otherwise provided for in that subsection.

''(B) A description of the strategy, plan, or policy of the President for promoting the commitment of the state to such matters, notwithstanding the waiver.

''(2) The matter included in the report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.''.

(b) ADMINISTRATION OF RESTRICTIONS ON ASSISTANCE.—Subsection (d) of that section is amended—

(1) by striking ''any year'' and inserting ''any fiscal year''; and

(2) by striking ''that year'' and inserting ''such fiscal year''.

(c) ELIGIBILITY REQUIREMENTS UNDER FREEDOM SUPPORT ACT.—Section 502 of the FREEDOM Support Act (Public Law 102–511; 106 Stat. 3338; 22 U.S.C. 5852) is amended—

(1) by striking ''Funds'' and inserting ''(a) ELIGIBILITY.—Except as provided in subsection (b), funds''; and

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

''(b) WAIVER OF ELIGIBILITY REQUIREMENTS.—(1) Funds may be obligated for a fiscal year under subsection (a) for assistance or other programs and activities for an independent state of the former Soviet Union that does not meet one or more of the requirements for eligibility under paragraphs (1) through (4) of that subsection if the President certifies in writing to the Congress that the waiver of such requirements in such fiscal year is important to the national security interests of the United States.

''(2) At the time of the exercise of the authority in paragraph (1) with respect to an independent state of the former Soviet Union for a fiscal year, the President shall submit to the congressional defense committees a report on the following:

''(A) A description of the activity or activities that prevent the President from certifying that the state is committed to each matter in subsection (a) in such fiscal year to which the waiver under paragraph (1) applies.

''(B) A description of the strategy, plan, or policy of the President for promoting the commitment of the state to each such matter, notwithstanding the waiver.

''(3) In this subsection, the term 'congressional defense committees' means—

''(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

''(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2002.

SEC. 1205. RUSSIAN TACTICAL NUCLEAR WEAPONS.

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

(1) Al Qaeda and other terrorist organizations, in addition to rogue states, are known to be working to acquire weapons of mass destruction, and particularly nuclear warheads.

(2) The largest and least secure potential source of nuclear warheads for terrorists or rogue states is Russia's arsenal of nonstrategic or ''tactical'' nuclear warheads, which according to unclassified estimates numbers from 7,000 to 12,000 warheads. Security at Russian nuclear weapon storage sites is insufficient, and tactical nuclear warheads are more vulnerable to terrorist or rogue state acquisition due to their smaller size, greater portability, and greater numbers compared to Russian strategic nuclear weapons.

(3) Russia's tactical nuclear warheads were not covered by the START treaties or the recent Moscow Treaty. Russia is not legally bound to reduce its tactical nuclear stockpile and the United States has no inspection rights regarding Russia's tactical nuclear arsenal.

(b) SENSE OF THE SENATE.—(1) One of the most likely nuclear weapon attack scenarios against the United States would involve detonation of a stolen Russian tactical nuclear warhead smuggled into the country.

(2) It is a top national security priority of the United States to accelerate efforts to account for, secure, and reduce Russia's stockpile of tactical nuclear warheads and associated fissile material.

(3) This imminent threat warrants a special nonproliferation initiative.

(c) REPORT.—Not later than 30 days after enactment of this Act, the President shall report to Congress on efforts to reduce the particular threats associated with Russia's tactical nuclear arsenal and the outlines of a special initiative related to reducing the threat from Russia's tactical nuclear stockpile.

Subtitle B—Other Matters

SEC. 1211. ADMINISTRATIVE SUPPORT AND SERVICES FOR COALITION LIAISON OFFICERS.

(a) AUTHORITY.—Chapter 6 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 169. Administrative support and services for coalition liaison officers

''(a) AUTHORITY.—The Secretary of Defense may provide administrative services and support for the performance of duties by any liaison officer of another nation involved in a coalition while the liaison officer is assigned temporarily to the headquarters of a combatant command, component command, or subordinate operational command of the United States in connection with the planning for or conduct of a coalition operation.

''(b) TRAVEL, SUBSISTENCE, AND OTHER EXPENSES.—The Secretary may pay the travel, subsistence, and similar personal expenses of a liaison officer of a developing country in connection with the assignment of that liaison officer to the headquarters of a combatant command as described in subsection (a) if the assignment is requested by the commander of the combatant command.

''(c) REIMBURSEMENT.—To the extent that the Secretary determines appropriate, the Secretary may provide the services and support authorized under subsections (a) and (b) with or without reimbursement from (or on behalf of) the recipients.

''(d) DEFINITIONS.—In this section:

''(1) The term 'administrative services and support' includes base or installation support services, office space, utilities, copying services, fire and police protection, and computer support.

''(2) The term 'coalition' means an ad hoc arrangement between or among the United States and one or more other nations for common action.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter 6 is amended by adding at the end the following new item:

''169. Administrative support and services for coalition liaison officers.''.

SEC. 1212. USE OF WARSAW INITIATIVE FUNDS FOR TRAVEL OF OFFICIALS FROM PARTNER COUNTRIES.

Section 1051(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''paragraph (2)'' and inserting ''paragraphs (2) and (3)'';

(2) by redesignating paragraph (3) as paragraph (4); and

(3) by inserting after paragraph (2) the following new paragraph (3):

''(3) In the case of defense personnel of a country that is participating in the Partnership for Peace program of the North Atlantic Treaty Organization (NATO), expenses authorized to be paid under subsection (a) may be paid in connection with travel of personnel to the territory of any of the countries participating in the Partnership for Peace program or of any of the NATO member countries.''.

SEC. 1213. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2003.—The total amount of the assistance for fiscal year 2003 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking ''2002'' and inserting ''2003''.

SEC. 1214. ARCTIC AND WESTERN PACIFIC ENVIRONMENTAL COOPERATION PROGRAM.

(a) IN GENERAL.—(1) Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2350m. Arctic and Western Pacific Environmental Cooperation Program

''(a) AUTHORITY TO CONDUCT PROGRAM.—The Secretary of Defense may, with the concurrence of the Secretary of State, conduct on a cooperative basis with countries located in the Arctic

and Western Pacific regions a program of environmental activities provided for in subsection (b) in such regions. The program shall be known as the 'Arctic and Western Pacific Environmental Cooperation Program'.

''(b) PROGRAM ACTIVITIES.—(1) Except as provided in paragraph (2), activities under the program under subsection (a) may include cooperation and assistance on environmental matters in the Arctic and Western Pacific regions among elements of the Department of Defense and the military departments or agencies of countries located in such regions.

''(2) Activities under the program may not include activities relating to the following:

''(A) The conduct of any peacekeeping exercise or other peacekeeping-related activity with the Russian Federation.

''(B) The provision of housing.

''(C) The provision of assistance to promote environmental restoration.

''(D) The provision of assistance to promote job retraining.

''(c) LIMITATION ON FUNDING FOR PROJECTS OTHER THAN RADIOLOGICAL PROJECTS.—Not more than 20 percent of the amount made available for the program under subsection (a) in any fiscal year may be available for projects under the program other than projects on radiological matters.

''(d) ANNUAL REPORT.—(1) Not later than March 1, 2003, and each year thereafter, the Secretary of Defense shall submit to Congress a report on activities under the program under subsection (a) during the preceding fiscal year.

''(2) The report on the program for a fiscal year under paragraph (1) shall include the following:

''(A) A description of the activities carried out under the program during that fiscal year, including a separate description of each project under the program.

''(B) A statement of the amounts obligated and expended for the program during that fiscal year, set forth in aggregate and by project.

''(C) A statement of the life cycle costs of each project, including the life cycle costs of such project as of the end of that fiscal year and an estimate of the total life cycle costs of such project upon completion of such project.

''(D) A statement of the participants in the activities carried out under the program during that fiscal year, including the elements of the Department of Defense and the military departments or agencies of other countries.

''(E) A description of the contributions of the military departments and agencies of other countries to the activities carried out under the program during that fiscal year, including any financial or other contributions to such activities.''.

(2) The table of sections at the beginning of that subchapter is amended by adding at the end the following new item:

''2350m. Arctic and Western Pacific Environmental Cooperation Program.''.

(b) REPEAL OF SUPERSEDED AUTHORITY ON ARCTIC MILITARY COOPERATION PROGRAM.—Section 327 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1965) is repealed.

SEC. 1215. DEPARTMENT OF DEFENSE HIV/AIDS PREVENTION ASSISTANCE PROGRAM.

(a) EXPANSION OF PROGRAM.—The Secretary of Defense is authorized to expand, in accordance with this section, the Department of Defense program of HIV/AIDS prevention educational activities undertaken in connection with the conduct of United States military training, exercises, and humanitarian assistance in sub-Saharan African countries.

(b) ELIGIBLE COUNTRIES.—The Secretary may carry out the program in all eligible countries. A country shall be eligible for activities under the program if the country—

(1) is a country suffering a public health crisis (as defined in subsection (e)); and

(2) participates in the military-to-military contacts program of the Department of Defense.

(c) PROGRAM ACTIVITIES.—The Secretary shall provide for the activities under the program—

(1) to focus, to the extent possible, on military units that participate in peace keeping operations; and

(2) to include HIV/AIDS-related voluntary counseling and testing and HIV/AIDS-related surveillance.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Of the amount authorized to be appropriated by section 301(a)(22) to the Department of Defense for operation and maintenance of the Defense Health Program, $30,000,000 may be available for carrying out the program described in subsection (a) as expanded pursuant to this section.

(2) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to paragraph (1) are authorized to remain available until expended.

(e) COUNTRY SUFFERING A PUBLIC HEALTH CRISIS DEFINED.—In this section, the term ''country suffering a public health crisis'' means a country that has rapidly rising rates of incidence of HIV/AIDS or in which HIV/AIDS is causing significant family, community, or societal disruption.

SEC. 1216. MONITORING IMPLEMENTATION OF THE 1979 UNITED STATES-CHINA AGREEMENT ON COOPERATION IN SCIENCE AND TECHNOLOGY.

(a) RESPONSIBILITIES OF THE OFFICE OF SCIENCE AND TECHNOLOGY COOPERATION.—The Office of Science and Technology Cooperation of the Department of State shall monitor the implementation of the 1979 United States-China Agreement on Cooperation in Science and Technology and its protocols (in this section referred to as the ''Agreement''), and keep a systematic account of the protocols thereto. The Office shall coordinate the activities of all agencies of the United States Government that carry out cooperative activities under the Agreement.

(b) GUIDELINES.—The Secretary of State shall ensure that all activities conducted under the Agreement and its protocols comply with applicable laws and regulations concerning the transfer of militarily sensitive and dual-use technologies.

(c) REPORTING REQUIREMENT.—

(1) IN GENERAL.—Not later than April 1, 2004, and every two years thereafter, the Secretary of State, shall submit a report to Congress, in both classified and unclassified form, on the implementation of the Agreement and activities thereunder.

(2) REPORT ELEMENTS.—Each report under this subsection shall provide an evaluation of the benefits of the Agreement to the Chinese economy, military, and defense industrial base and shall include the following:

(A) An accounting of all activities conducted under the Agreement since the previous report, and a projection of activities to be undertaken in the next two years.

(B) An estimate of the costs to the United States to administer the Agreement within the period covered by the report.

(C) An assessment of how the Agreement has influenced the policies of the People's Republic of China toward scientific and technological cooperation with the United States.

(D) An analysis of the involvement of Chinese nuclear weapons and military missile specialists in the activities of the Joint Commission.

(E) A determination of the extent to which the activities conducted under the Agreement have enhanced the military and industrial base of the People's Republic of China, and an assessment of the impact of projected activities for the next two years, including transfers of technology, on China's economic and military capabilities.

(F) Any recommendations on improving the monitoring of the activities of the Commission by the Secretaries of Defense and State.

(3) CONSULTATION PRIOR TO SUBMISSION OF REPORTS.—The Secretary of State shall prepare the report in consultation with the Secretaries of Commerce, Defense, and Energy, the Directors of the National Science Foundation and the Federal Bureau of Investigation, and the intelligence community.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2003''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$1,900,000
	Fort Rucker	$6,550,000
Alaska	Fort Richardson	$15,000,000
	Fort Wainwright	$111,010,000
Arkansas	Pine Bluff Arsenal	$18,937,000
Colorado	Fort Carson	$1,100,000
District of Columbia	Walter Reed Army Medical Center	$17,500,000
Georgia	Fort Benning	$74,250,000
	Fort Stewart/Hunter Army Air Field	$26,000,000
Hawaii	Schofield Barracks	$191,000,000
Kansas	Fort Leavenworth	$3,150,000
	Fort Riley	$74,000,000
Kentucky	Blue Grass Army Depot	$5,500,000
	Fort Campbell	$99,000,000
	Fort Knox	$6,800,000
Louisiana	Fort Polk	$31,000,000
Maryland	Fort Detrick	$19,700,000
Missouri	Fort Leonard Wood	$15,500,000
New York	Fort Drum	$1,500,000

Army: Inside the United States—Continued

State	Installation or location	Amount
North Carolina	Fort Bragg	$85,500,000
Oklahoma	Fort Sill	$35,000,000
Pennsylvania	Letterkenny Army Depot	$1,550,000
Texas	Fort Hood	$69,000,000
Washington	Fort Lewis	$53,000,000
	Total	$964,697,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Belgium	Chievres Air Base	$13,600,000
Germany	Area Support Group, Bamberg	$17,200,000
	Darmstadt	$3,500,000
	Grafenwoehr	$69,866,000
	Heidelberg	$8,300,000
	Landstuhl	$2,400,000
	Mannheim	$43,350,000
	Schweinfurt	$2,000,000
Italy	Vicenza	$34,700,000
Korea	Camp Carroll	$20,000,000
	Camp Castle	$6,800,000
	Camp Hovey	$25,000,000
	Camp Humphreys	$36,000,000
	Camp Tango	$12,600,000
	Camp Henry	$10,200,000
	K16 Airfield	$40,000,000
Qatar	Qatar	$8,600,000
	Total	$354,116,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Unspecified Worldwide	$4,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	38 Units	$17,752,000
Arizona	Yuma Proving Ground	33 Units	$6,100,000
Germany	Stuttgart	1 Units	$990,000
Korea	Yongsan	10 Units	$3,100,000
	Total:		$27,942,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $15,653,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $239,751,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $3,007,345,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $758,497,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $354,116,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $20,500,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $148,864,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $283,346,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,122,274,000.

(7) For the construction of phase 4 of an ammunition demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2108 of this Act, $38,000,000.

(8) For the construction of phase 5 of an ammunition demilitarization facility at Newport Army Depot, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), $61,494,000.

(9) For the construction of phase 5 of an ammunition demilitarization facility at Aberdeen Proving Ground, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999, as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1299), $30,600,000.

(10) For the construction of phase 3 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1298) and section 2106 of this Act, $10,300,000.

(11) For the construction of phase 3 of an ammunition demilitarization support facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000, $8,300,000.

(12) For the construction of phase 2 of Saddle Access Road, Pohakoula Training Facility, Hawaii, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–389), $13,000,000.

(13) For the construction of phase 3 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001, $50,000,000.

(14) For the construction of phase 2 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1280), $21,000,000.

(15) For the construction of phase 2 of a barracks complex, Nelson Boulevard, at Fort Carson, Colorado, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002, as amended by section 2105 of this Act, $42,000,000.

(16) For the construction of phase 2 of a basic combat trainee complex at Fort Jackson, South Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002, as amended by section 2105 of this Act, $39,000,000.

(17) For the construction of phase 2 of a barracks complex, 17th and B Streets at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002, $50,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $18,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Main Post, at Fort Benning, Georgia);

(3) $100,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Capron Avenue, at Schofield Barracks, Hawaii);

(4) $13,200,000 (the balance of the amount authorized under section 2101(a) for construction of a combined arms collective training facility at Fort Riley, Kansas);

(5) $50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Range Road, at Fort Campbell, Kentucky); and

(6) $25,000,000 (the balance of the amount authorized under section 2101(a) for construction of a consolidated maintenance complex at Fort Sill, Oklahoma).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (17) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $18,596,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States; and

(2) $29,350,000, which represents adjustments for the accounting of civilian personnel benefits.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1281) is amended—

(1) in the item relating to Fort Carson, Colorado, by striking ''$66,000,000'' in the amount column and inserting ''$67,000,000''; and

(2) in the item relating to Fort Jackson, South Carolina, by striking ''$65,650,000'' in the amount column and inserting ''$68,650,000''.

(b) CONFORMING AMENDMENTS.—Section 2104(b) of that Act (115 Stat. 1284) is amended—

(1) in paragraph (3), by striking ''$41,000,000'' and inserting ''$42,000,000''; and

(2) in paragraph (4), by striking ''$36,000,000'' and inserting ''$39,000,000''.

SEC. 2106. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298), is further amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Blue Grass Army Depot, Kentucky, by striking ''$254,030,000'' in the amount column and inserting ''$290,325,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$748,245,000''.

(b) CONFORMING AMENDMENT.—Section 2405(b)(3) of that Act (113 Stat. 839), as so amended, is further amended by striking ''$231,230,000'' and inserting ''$267,525,000''.

SEC. 2107. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193) is amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Newport Army Depot, Indiana, by striking ''$191,550,000'' in the amount column and inserting ''$293,853,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$829,919,000''.

(b) CONFORMING AMENDMENT.—Section 2404(b)(2) of that Act (112 Stat. 2196) is amended by striking ''$162,050,000'' and inserting ''$264,353,000''.

SEC. 2108. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1997 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), is further amended—

(1) under the agency heading relating to Chemical Demilitarization Program, in the item relating to Pueblo Chemical Activity, Colorado, by striking ''$203,500,000'' in the amount column and inserting ''$261,000,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$607,454,000''.

(b) CONFORMING AMENDMENT.—Section 2406(b)(2) of that Act (110 Stat. 2779), as so amended, is further amended by striking ''$203,500,000'' and inserting ''$261,000,000''.

SEC. 2109. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2001 PROJECT.

The table in section 2101(b) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–390) is amended by striking ''Camp Page'' in the installation or location column and inserting ''Camp Stanley''.

SEC. 2110. PLANNING AND DESIGN FOR ANECHOIC CHAMBER AT WHITE SANDS MISSILE RANGE, NEW MEXICO.

(a) PLANNING AND DESIGN.—The amount authorized to be appropriated by section 2104(a)(5), for planning and design for military construction for the Army is hereby increased by $3,000,000, with the amount of the increase to be available for planning and design for an anechoic chamber at White Sands Missile Range, New Mexico.

(b) OFFSET.—The amount authorized to be appropriated by section 301(a)(1) for the Army for operation and maintenance is hereby reduced by $3,000,000, with the amount of the reduction to be allocated to Base Operations Support (Servicewide Support).

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$3,000,000
California	Marine Corps Air Station, Miramar	$8,700,000
	Marine Corps Air Ground Combat Center, Twentynine Palms	$25,770,000
	Marine Corps Base, Camp Pendleton	$104,200,000
	Naval Air Station, Lemoore	$35,855,000
	Naval Air Station, San Diego	$6,150,000
	Naval Air Warfare Center, Point Mugu	$6,760,000
	Naval Construction Battalion Center, Port Hueneme	$6,957,000
	Naval PostGraduate School, Monterey	$2,020,000
	Naval Station, San Diego	$12,210,000
Connecticut	Naval Submarine Base, New London	$7,880,000
District of Columbia	Marine Corps Base, Washington	$3,700,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Naval District, Washington	$2,690,000
Florida	Eglin Air Force Base	$6,350,000
	Naval Air Station, Jacksonville	$6,770,000
	Naval Air Station, Mayport	$1,900,000
	Naval Air Station, Pensacola	$990,000
	Panama City	$10,700,000
Georgia	Naval Submarine Base, Kings Bay	$1,580,000
Hawaii	Ford Island	$19,400,000
	Marine Corps Base, Hawaii	$9,500,000
	Naval Station, Pearl Harbor	$14,690,000
Illinois	Naval Training Center, Great Lakes	$93,190,000
Maine	Naval Air Station, Brunswick	$9,830,000
	Naval Shipyard, Portsmouth	$15,200,000
Maryland	Andrews Air Force Base	$9,680,000
	Naval Surface Warfare Center, Carderock Division	$12,900,000
Mississippi	Naval Air Station, Meridian	$2,850,000
	Naval Construction Battalion Center, Gulfport	$5,460,000
	Naval Station, Pascagoula	$25,305,000
New Jersey	Naval Air Warfare Center, Lakehurst	$5,200,000
	Naval Weapons Station, Earle	$5,600,000
North Carolina	Camp LeJeune	$5,370,000
	Marine Corps Air Station, Cherry Point	$6,040,000
	Marine Corps Air Station, New River	$6,920,000
Rhode Island	Naval Station, Newport	$9,030,000
South Carolina	Marine Corps Air Station, Beaufort	$13,700,000
	Marine Corps Recruit Depot, Parris Island	$10,490,000
	Naval Weapons Station, Charleston	$5,740,000
Texas	Naval Air Station, Kingsville	$6,210,000
	Naval Station, Ingleside	$5,480,000
Virginia	Marine Corps Combat Development Command, Quantico	$19,554,000
	Naval Amphibious Base, Little Creek	$9,770,000
	Naval Air Station, Norfolk	$2,260,000
	Naval Air Station, Oceana	$16,490,000
	Naval Ship Yard, Norfolk	$36,470,000
	Naval Station, Norfolk	$168,965,000
	Naval Surface Warfare Center, Dahlgren	$15,830,000
	Naval Weapons Station, Yorktown	$15,020,000
Washington	Naval Air Station, Whidbey Island	$17,580,000
	Naval Magazine, Port Hadlock	$4,030,000
	Naval Shipyard, Puget Sound	$54,132,000
	Naval Station, Bremerton	$45,870,000
	Naval Submarine Base, Bangor	$22,310,000
	Strategic Weapons Facility, Bangor	$7,340,000
Various Locations	Host Nation Infrastructure	$1,000,000
	Total	$988,588,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	$25,970,000
Cuba	Naval Station, Guantanamo	$4,280,000
Diego Garcia	Diego Garcia, Naval Support Facility	$11,090,000
Greece	Naval Support Activity, Joint Headquarters Command, Larissa	$14,800,000
Guam	Commander, United States Naval Forces, Guam	$13,400,000
Iceland	Naval Air Station, Keflavik	$14,920,000
Italy	Naval Air Station, Sigonella	$66,960,000
Spain	Joint Headquarters Command, Madrid	$2,890,000
	Naval Station, Rota	$18,700,000
	Total	$173,010,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	178 Units	$40,981,000
	Twentynine Palms	76 Units	$19,425,000
Connecticut	Naval Submarine Base, New London	100 Units	$24,415,000
Florida	Naval Station, Mayport	1 Unit	$329,000
Hawaii	Marine Corps Base, Kaneohe Bay	65 Units	$24,797,000
Mississippi	Naval Air Station, Meridian	56 Units	$9,755,000
North Carolina	Marine Corps Base, Camp LeJeune	317 Units	$43,650,000
Virginia	Marine Corps Base, Quantico	290 Units	$41,843,000
Greece	Naval Support Activity Joint Headquarters Command, Larissa	2 Units	$1,232,000
United Kingdom	Joint Maritime Facility, St. Mawgan	62 Units	$18,524,000
		Total	$224,951,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction

or improvement of military family housing units in an amount not to exceed $11,281,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $139,468,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,478,174,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $932,123,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $170,440,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $23,262,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $87,803,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $375,700,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $867,788,000.

(6) For replacement of a pier at Naval Station, Norfolk, Virginia, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287), as amended by section 2205 of this Act, $33,520,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a):

(2) $8,345,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Pascagoula, Mississippi);

(3) $48,120,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Norfolk, Virginia); and

(4) $2,570,000 (the balance of the amount authorized under section 2201(b) for a quality of life support facility, Naval Air Station Sigonella, Italy).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $3,992,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States; and

(2) $10,470,000, which represents adjustments for the accounting of civilian personnel benefits.

SEC. 2205. MODIFICATION TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MILITARY CONSTRUCTION PROJECT AT NAVAL STATION, NORFOLK, VIRGINIA.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286) is amended—

(1) in the item relating to Naval Station, Norfolk, Virginia, by striking ''$139,270,000'' in the amount column and inserting ''$139,550,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$1,059,030,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(2) of that Act (115 Stat. 1289) is amended by striking ''$33,240,000'' and inserting ''$33,520,000''.

(c) MILITARY FAMILY HOUSING AT QUANTICO, VIRGINIA.—The table in section 2202(a) of that Act (115 Stat. 1287) is amended in the item relating to Marine Corps Combat Development Command, Quantico, Virginia, by striking ''60 Units'' in the purpose column and inserting ''39 Units''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alaska	Clear Air Force Station	$14,400,000
	Eielson Air Force Base	$41,100,000
Arizona	Davis-Monthan Air Force Base	$19,270,000
Arkansas	Little Rock Air Force Base	$25,600,000
California	Beale Air Force Base	$11,740,000
	Travis Air Force Base	$23,900,000
	Vandenberg Air Force Base	$10,500,000
Colorado	Buckley Air Force Base	$17,700,000
	Peterson Air Force Base	$5,500,000
	Schriever Air Force Base	$5,700,000
	United States Air Force Academy	$4,200,000
District of Columbia	Bolling Air Force Base	$5,000,000
Florida	Eglin Air Force Base	$4,250,000
	Hurlburt Field	$15,000,000
	MacDill Air Force Base	$7,000,000
Georgia	Robins Air Force Base	$5,400,000
	Warner-Robins Air Force Base	$24,000,000
Hawaii	Hickam Air Force Base	$1,350,000
Louisiana	Barksdale Air Force Base	$22,900,000
Maryland	Andrews Air Force Base	$9,600,000
Massachusetts	Fourth Cliff, Scituate	$9,500,000
	Hanscom Air Force Base	$7,700,000
Mississippi	Keesler Air Force Base	$22,000,000
Nebraska	Offutt Air Force Base	$11,000,000
Nevada	Nellis Air Force Base	$56,850,000
New Jersey	McGuire Air Force Base	$24,631,000
New Mexico	Cannon Air Force Base	$4,650,000
	Holloman Air Force Base	$4,650,000
	Kirtland Air Force Base	$21,900,000
North Carolina	Pope Air Force Base	$9,700,000
	Seymour Johnson Air Force Base	$10,600,000
North Dakota	Minot Air Force Base	$18,000,000
Ohio	Wright-Patterson Air Force Base	$35,400,000
Oklahoma	Altus Air Force Base	$14,800,000
	Vance Air Force Base	$4,800,000
South Carolina	Shaw Air Force Base	$6,500,000
South Dakota	Ellsworth Air Force Base	$13,200,000
Texas	Goodfellow Air Force Base	$10,600,000
	Lackland Air Force Base	$41,500,000
	Sheppard Air Force Base	$16,000,000
Utah	Hill Air Force Base	$16,500,000
Virginia	Langley Air Force Base	$71,940,000
Wyoming	F.E. Warren Air Force Base	$15,000,000
	Total	$721,531,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Germany	Ramstein Air Base	$71,783,000
Guam	Andersen Air Force Base	$31,000,000
Italy	Aviano Air Base	$6,600,000
Japan	Kadena Air Base	$6,000,000
Korea	Osan Air Base	$15,100,000
Spain	Naval Station, Rota	$31,818,000
Turkey	Incirlik Air Base	$1,550,000
United Kingdom	Diego Garcia	$17,100,000
	Royal Air Force, Fairford	$19,000,000
	Royal Air Force, Lakenheath	$13,400,000
Wake Island	Wake Island	$24,900,000
	Total	$238,251,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Locations	$24,993,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	140 Units	$18,954,000
California	Travis Air Force Base	110 Units	$24,320,000
Colorado	Peterson Air Force Base	2 Units	$959,000
	United States Air Force Academy	71 Units	$12,424,000
Delaware	Dover Air Force Base	112 Units	$19,615,000
Florida	Eglin Air Force Base	Housing Office	$597,000
	Eglin Air Force Base	134 Units	$15,906,000
	MacDill Air Force Base	96 Units	$18,086,000
Hawaii	Hickam Air Force Base	96 Units	$29,050,000
Idaho	Mountain Home Air Force Base	95 Units	$24,392,000
Kansas	McConnell Air Force Base	Housing Maintenance Facility.	$1,514,000
Maryland	Andrews Air Force Base	53 Units	$9,838,000
	Andrews Air Force Base	52 Units	$8,807,000
Mississippi	Columbus Air Force Base	Housing Office	$412,000
	Keesler Air Force Base	117 Units	$16,605,000
Missouri	Whiteman Air Force Base	22 Units	$3,977,000
Montana	Malmstrom Air Force Base	18 Units	$4,717,000
New Mexico	Holloman Air Force Base	101 Units	$20,161,000
North Carolina	Pope Air Force Base	Housing Maintenance Facility.	$991,000
	Seymour Johnson Air Force Base	126 Units	$18,615,000
North Dakota	Grand Forks Air Force Base	150 Units	$30,140,000
	Minot Air Force Base	112 Units	$21,428,000
	Minot Air Force Base	102 Units	$20,315,000
Oklahoma	Vance Air Force Base	59 Units	$11,423,000
South Dakota	Ellsworth Air Force Base	Housing Maintenance Facility.	$447,000
	Ellsworth Air Force Base	22 Units	$4,794,000
Texas	Dyess Air Force Base	85 Units	$14,824,000
	Randolph Air Force Base	Housing Maintenance Facility.	$447,000
	Randolph Air Force Base	112 Units	$14,311,000
Virginia	Langley Air Force Base	Housing Office	$1,193,000
Germany	Ramstein Air Force Base	19 Units	$8,534,000
Korea	Osan Air Base	113 Units	$35,705,000
	Osan Air Base	Housing Supply Warehouse.	$834,000
United Kingdom	Royal Air Force Lakenheath	Housing Office and Maintenance Facility.	$2,203,000
	Total		$416,438,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $34,188,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, Unites States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $226,068,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,597,272,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $709,431,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $238,251,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $24,993,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,500,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $81,416,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $676,694,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $874,050,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2) and (3) of subsection (a);

(2) $7,100,000 (the balance of the amount authorized under section 2301(a) for construction of a consolidated base engineer complex at Altus Air Force Base, Oklahoma); and

(3) $5,000,000 (the balance of the amount authorized under section 2301(a) for construction of a storm drainage system at F.E. Warren Air Force Base, Wyoming).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $19,063,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States.

SEC. 2305. AUTHORITY FOR USE OF MILITARY CONSTRUCTION FUNDS FOR CONSTRUCTION OF PUBLIC ROAD NEAR AVIANO AIR BASE, ITALY, CLOSED FOR FORCE PROTECTION PURPOSES.

(a) AUTHORITY TO USE FUNDS.—The Secretary of the Air Force may, using amounts authorized to be appropriated by section 2301(b), carry out a project to provide a public road, and associated improvements, to replace a public road adjacent to Aviano Air Base, Italy, that has been closed for force protection purposes.

(b) SCOPE OF AUTHORITY.—(1) The authority of the Secretary to carry out the project referred to in subsection (a) shall include authority as follows:

(A) To acquire property for the project for transfer to a host nation authority.

(B) To provide funds to a host nation authority to acquire property for the project.

(C) To make a contribution to a host nation authority for purposes of carrying out the project.

(D) To provide vehicle and pedestrian access to landowners effected by the project.

(2) The acquisition of property using authority in subparagraph (A) or (B) of paragraph (1) may be made regardless of whether or not ownership of such property will vest in the United States.

(c) INAPPLICABILITY OF CERTAIN REAL PROPERTY MANAGEMENT REQUIREMENT.—Section 2672(a)(1)(B) of title 10, United States Code, shall not apply with respect to any acquisition of interests in land for purposes of the project authorized by subsection (a).

SEC. 2306. ADDITIONAL PROJECT AUTHORIZATION FOR AIR TRAFFIC CONTROL FACILITY AT DOVER AIR FORCE BASE, DELAWARE.

(a) PROJECT AUTHORIZED.—In addition to the projects authorized by section 2301(a), the Secretary of the Air Force may carry out carry out a military construction project, including land acquisition relating thereto, for construction of a new air traffic control facility at Dover Air Force Base, Delaware, in the amount of $7,500,000.

(b) AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 2304(a), and by paragraph (1) of that section, is hereby increased by $7,500,000.

(c) OFFSET.—The amount authorized to be appropriated by section 301(a)(10) for operation and maintenance for the Army National Guard is hereby reduced by $7,500,000, with the amount of the reduction to be allocated to the Classified Network Program.

SEC. 2307. AVAILABILITY OF FUNDS FOR CONSOLIDATION OF MATERIALS COMPUTATIONAL RESEARCH FACILITY AT WRIGHT–PATTERSON AIR FORCE BASE, OHIO.

(a) AVAILABILITY.—Of the amount authorized to be appropriated by section 2304(a), and paragraph (1) of that section, for the Air Force and available for military construction projects at Wright–Patterson Air Force Base, Ohio, $15,200,000 may be available for a military construction project for consolidation of the materials computational research facility at Wright–Patterson Air Force Base (PNZHTV033301A).

(b) OFFSET.—(1) The amount authorized to be appropriated by section 301(a)(4) for the Air Force for operation and maintenance is hereby reduced by $2,800,000, with the amount of the reduction to be allocated to Recruiting and Advertising.

(2) Of the amount authorized to be appropriated by section 2304(a), and paragraph (1) of that section, for the Air Force and available for military construction projects at Wright–Patterson Air Force Base—

(A) the amount available for a dormitory is hereby reduced by $10,400,000; and

(B) the amount available for construction of a Fully Contained Small Arms Range Complex is hereby reduced by $2,000,000.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Missile Defense Agency	Kauai, Hawaii	$23,400,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$121,958,000
Defense Logistics Agency	Defense Supply Center, Columbus, Ohio	$5,021,000
	Defense Supply Center, Richmond, Virginia	$5,500,000
	Naval Air Station, New Orleans, Louisiana	$9,500,000
	Travis Air Force Base, California	$16,000,000
Defense Threat Reduction Agency	Fort Belvoir, Virginia	$76,388,000
Department of Defense Dependents Schools	Fort Bragg, North Carolina	$2,036,000
	Fort Jackson, South Carolina	$2,506,000
	Marine Corps Base, Camp LeJeune, North Carolina	$12,138,000
	Marine Corps Base, Quantico, Virginia	$1,418,000
	United States Military Academy, West Point, New York	$4,347,000
Joint Chiefs of Staff	Conus Various	$25,000,000
National Security Agency	Fort Meade, Maryland	$4,484,000
Special Operations Command	Fort Bragg, North Carolina	$30,800,000
	Hurlburt Field, Florida	$11,100,000
	Naval Amphibious Base, Little Creek, Virginia	$14,300,000
	Stennis Space Center, Mississippi	$5,000,000
TRICARE Management Activity	Elmendorf Air Force Base, Alaska	$10,400,000
	Hickam Air Force Base, Hawaii	$2,700,000
Washington Headquarters Services	Arlington, Virginia	$18,000,000
	Washington Headquarters Services, District of Columbia	$2,500,000
	Total	$404,496,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency	Andersen Air Force Base, Guam	$17,586,000
	Lajes Field, Azores, Portugal	$19,000,000

Defense Agencies: Outside the United States—Continued

Agency	Installation or location	Amount
	Naval Forces Marianas Islands, Guam	$6,000,000
	Naval Station, Rota, Spain	$23,400,000
	Royal Air Force, Fairford, United Kingdom	$17,000,000
	Yokota Air Base, Japan	$23,000,000
Department of Defense Dependents Schools	Kaiserslautern, Germany	$957,000
	Lajes Field, Azores, Portugal	$1,192,000
	Seoul, Korea	$31,683,000
	Mons, Belgium	$1,573,000
	Spangdahlem Air Base, Germany	$997,000
	Vicenza, Italy	$2,117,000
TRICARE Management Activity	Naval Support Activity, Naples, Italy	$41,449,000
	Spangdahlem Air Base, Germany	$39,629,000
	Total	$225,583,000

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $5,480,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(4), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $50,531,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,316,972,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $367,896,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $225,583,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,293,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $44,232,000.

(6) For energy conservation projects authorized by section 2403 of this Act, $50,531,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $545,138,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $5,480,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $42,432,000.

(C) For credit to the Department of Defense Family Housing Improvement Fund established by section 2883(a)(1) of title 10, United States Code, $2,000,000.

(9) For payment of a claim against the Hospital Replacement project at Elmendorf Air Force Base, Alaska, $10,400,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $26,200,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Threat Reduction Center, Fort Belvoir, Virginia).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (9) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by—

(1) $2,976,000, which represents savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States; and

(2) $37,000, which represents adjustments for the accounting of civilian personnel benefits.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $168,200,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

There are authorized to be appropriated for fiscal years beginning after September 30, 2002, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions there for, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $186,588,000; and

(B) for the Army Reserve, $62,992,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $58,671,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $212,459,000; and

(B) for the Air Force Reserve, $59,883,000.

SEC. 2602. ARMY NATIONAL GUARD RESERVE CENTER, LANE COUNTY, OREGON.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 2601(1)(A) for the Army National Guard of the United States is hereby increased by $9,000,000.

(b) AVAILABILITY.—(1) Of the amount authorized to be appropriated by section 2601(1)(A) for the Army National Guard of the United States, as increased by subsection (a), $9,000,000 may be available for a military construction project for a Reserve Center in Lane County, Oregon.

(2) The amount available under paragraph (1) for the military construction project referred to in that paragraph is in addition to any other amounts available under this Act for that project.

(c) OFFSET.—(1) The amount authorized to be appropriated by section 201(2) for research, development, test, and evaluation for the Navy is hereby reduced by $2,500,000, with the amount of the reduction to be allocated to Warfighter Sustainment Advanced Technology (PE 0603236N).

(2) The amount authorized to be appropriated by section 301(a)(6) for operation and maintenance for the Army Reserve is hereby reduced by $6,000,000, with the amount of the reduction to be allocated to the Enhanced Secure Communications Program.

SEC. 2603. ADDITIONAL PROJECT AUTHORIZATION FOR COMPOSITE SUPPORT FACILITY FOR ILLINOIS AIR NATIONAL GUARD.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS.—The amount authorized to be appropriated by section 2601(3)(A) for the Air National Guard is hereby increased by $10,000,000.

(b) AVAILABILITY.—Of the amount authorized to be appropriated by section 2601(3)(A) for the Air National Guard, as increased by subsection (a), $10,000,000 may be available for a military construction project for a Composite Support Facility for the 183rd Fighter Wing of the Illinois Air National Guard.

(c) OFFSET.—The amount authorized to be appropriated by section 301(a)(5) for operation and maintenance, defense-wide, is hereby reduced by $10,000,000, with the amount of the reduction to be allocated to amounts available for the Information Operations Program.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the

North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorized funds for fiscal year 2005 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act, shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units).	$6,000,000
Texas	Lackland Air Force Base	Dormitory	$5,300,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-Purpose Range Complex–Heavy.	$13,500,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2199), authorizations set forth in the table in subsection (b), as provided in section 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1301), shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 Units).	$8,988,000
Florida	Patrick Air Force Base	Replace Family Housing (46 Units).	$9,692,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (37 Units).	$6,400,000
Ohio	Wright-Patterson Air Force Base	Replace Family Housing (40 Units).	$5,600,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, XXVI, and XXVII of this Act shall take effect on the later of—

(1) October 1, 2002; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. LEASE OF MILITARY FAMILY HOUSING IN KOREA.

(a) INCREASE IN NUMBER OF UNITS AUTHORIZED FOR LEASE AT CURRENT MAXIMUM AMOUNT.—Paragraph (3) of section 2828(e) of title 10, United States Code, is amended by striking ''800 units'' and inserting ''1,175 units''.

(b) AUTHORITY TO LEASE ADDITIONAL NUMBER OF UNITS AT INCREASED MAXIMUM AMOUNT.—That section is further amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively;

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) In addition to the units of family housing referred to in paragraph (1) for which the maximum lease amount is $25,000 per unit per year, the Secretary of the Army may lease not more than 2,400 units of family housing in Korea subject to a maximum lease amount of $35,000 per unit per year.'';

(3) in paragraph (5), as so redesignated, by striking ''and (3)'' and inserting ''(3), and (4)''; and

(4) in paragraph (6), as so redesignated, by striking ''53,000'' and inserting ''55,775''.

SEC. 2802. REPEAL OF SOURCE REQUIREMENTS FOR FAMILY HOUSING CONSTRUCTION OVERSEAS.

Section 803 of the Military Construction Authorization Act, 1984 (Public Law 98–115; 10 U.S.C. 2821 note) is repealed.

SEC. 2803. MODIFICATION OF LEASE AUTHORITIES UNDER ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) LEASING OF HOUSING.—Subsection (a) of section 2874 of title 10, United States Code, is amended to read as follows:

''(a) LEASE AUTHORIZED.—(1) The Secretary concerned may enter into contracts for the lease of housing units that the Secretary determines are suitable for use as military family housing or military unaccompanied housing.

''(2) The Secretary concerned shall utilize housing units leased under paragraph (1) as military family housing or military unaccompanied housing, as appropriate.''.

(b) REPEAL OF INTERIM LEASE AUTHORITY.—Section 2879 of such title is repealed.

(c) CONFORMING AND CLERICAL AMENDMENTS.—(1) The heading for section 2874 of such title is amended to read as follows:

''§ 2874. Leasing of housing''.

(2) The table of sections at the beginning of subchapter IV of chapter 169 of such title is amended—

(A) by striking the item relating to section 2874 and inserting the following new item:

''2874. Leasing of housing.'';

and

(B) by striking the item relating to section 2879.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AGREEMENTS WITH PRIVATE ENTITIES TO ENHANCE MILITARY TRAINING, TESTING, AND OPERATIONS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2696 the following new section:

''§ 2697. Agreements with private entities to enhance military training, testing, and operations

''(a) AGREEMENTS WITH PRIVATE ENTITIES AUTHORIZED.—The Secretary of Defense or the Secretary of a military department may enter into an agreement with a private entity described in subsection (b) to address the use or development of real property in the vicinity of an installation under the jurisdiction of such Secretary for purposes of—

''(1) limiting any development or use of such property that would otherwise be incompatible with the mission of such installation; or

''(2) preserving habitat on such property in a manner that is compatible with both—

''(A) current or anticipated environmental requirements that would or might otherwise restrict, impede, or otherwise interfere, whether directly or indirectly, with current or anticipated military training, testing, or operations on such installation; and

''(B) current or anticipated military training, testing, or operations on such installation.

''(b) COVERED PRIVATE ENTITIES.—A private entity described in this subsection is any private entity that has as its stated principal organizational purpose or goal the conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal.

''(c) INAPPLICABILITY OF CERTAIN CONTRACT REQUIREMENTS.—Chapter 63 of title 31 shall not apply to any agreement entered into under this section.

''(d) ACQUISITION AND ACCEPTANCE OF PROPERTY AND INTERESTS.—(1) Subject to the provisions of this subsection, an agreement with a private entity under this section—

''(A) may provide for the private entity to acquire all right, title, and interest in and to any real property, or any lesser interest therein, as may be appropriate for purposes of this section; and

''(B) shall provide for the private entity to transfer to the United States, upon the request of the United States, any property or interest so acquired.

''(2) Property or interests may not be acquired pursuant to an agreement under this section unless the owner of such property or interests, as the case may be, consents to the acquisition.

''(3) An agreement under this section providing for the acquisition of property or interests under paragraph (1)(A) shall provide for the sharing by the United States and the private entity concerned of the costs of the acquisition of such property or interests.

''(4) The Secretary concerned shall identify any property or interests to be acquired pursuant to an agreement under this section. Such property or interests shall be limited to the minimum property or interests necessary to ensure that the property concerned is developed and used in a manner appropriate for purposes of this section.

''(5) The Secretary concerned may accept on behalf of the United States any property or interest to be transferred to the United States under paragraph (1)(B).

''(6) The Secretary concerned may, for purposes of the acceptance of property or interests under this subsection, accept an appraisal or title documents prepared or adopted by a non-Federal entity as satisfying the applicable requirements of section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651) or section 355 of the Revised Statutes (40 U.S.C. 255) if the Secretary finds that such appraisal or title documents substantially comply with such requirements.

''(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in an agreement under this section as such Secretary considers appropriate to protect the interests of the United States.

''(f) FUNDING.—(1) Except as provided in paragraph (2), amounts authorized to be appropriated to the Range Enhancement Initiative Fund of the Department of Defense are available for purposes of any agreement under this section.

''(2) In the case of an installation operated primarily with funds authorized to be appropriated for research, development, test, and evaluation, funds authorized to be appropriated for the Department of Defense, or the military department concerned, for research, development, test, and evaluation are available for purposes of an agreement under this section with respect to such installation.

''(3) Amounts in the Fund that are made available for an agreement of a military department under this section shall be made available by transfer from the Fund to the applicable operation and maintenance account of the military department, including the operation and maintenance account for the active component, or for a reserve component, of the military department.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2696 the following new item:

''2697. Agreements with private entities to enhance military training, testing, and operations.''.

SEC. 2812. CONVEYANCE OF SURPLUS REAL PROPERTY FOR NATURAL RESOURCE CONSERVATION.

(a) IN GENERAL.—(1) Chapter 159 of title 10, United States Code, as amended by section 2811 of this Act, is further amended by inserting after section 2697 the following new section:

''§2698. Conveyance of surplus real property for natural resource conservation

''(a) AUTHORITY TO CONVEY.—Subject to subsection (c), the Secretary of a military department may, in the sole discretion of such Secretary, convey to any State or local government or instrumentality thereof, or private entity that has as its primary purpose or goal the conservation of open space or natural resources on real property, all right, title, and interest of the United States in and to any real property, including any improvements thereon, under the jurisdiction of such Secretary that is described in subsection (b).

''(b) COVERED REAL PROPERTY.—Real property described in this subsection is any property that—

''(1) is suitable, as determined by the Secretary concerned, for use for the conservation of open space or natural resources;

''(2) is surplus property for purposes of title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.); and

''(3) has been available for public benefit conveyance under that title for a sufficient time, as determined by the Secretary concerned in consultation with the Administrator of General Services, to permit potential claimants to seek public benefit conveyance of such property, but without the submittal during that time of a request for such conveyance.

''(c) CONDITIONS OF CONVEYANCE.—Real property may not be conveyed under this section unless the conveyee of such property agrees that such property—

''(1) shall be used and maintained for the conservation of open space or natural resources in perpetuity, unless otherwise provided for under subsection (e); and

''(2) may be subsequently conveyed only if—

''(A) the Secretary concerned approves in writing such subsequent conveyance;

''(B) the Secretary concerned notifies the appropriate committees of Congress of the subsequent conveyance not later than 21 days before the subsequent conveyance; and

''(C) after such subsequent conveyance, shall be used and maintained for the conservation of open space or natural resources in perpetuity, unless otherwise provided for under subsection (e).

''(d) USE FOR INCIDENTAL PRODUCTION OF REVENUE.—Real property conveyed under this section may be used for the incidental production of revenue, as determined by the Secretary concerned, if such production of revenue is compatible with the use of such property for the conservation of open space or natural resources, as so determined.

''(e) REVERSION.—If the Secretary concerned determines at any time that real property conveyed under this section is not being used and maintained in accordance with the agreement of the conveyee under subsection (c), all right, title, and interest in and to such real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

''(f) PROPERTY UNDER BASE CLOSURE LAWS.—The Secretary concerned may not make a conveyance under this section of any real property to be disposed of under a base closure law in a manner that is inconsistent with the requirements and conditions of such base closure law.

''(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may establish such additional terms and conditions in connection with a conveyance of real property under this section as such Secretary considers appropriate to protect the interests of the United States.

''(h) DEFINITIONS.—In this section:

''(1) The term 'appropriate committees of Congress' has the meaning given that term in section 2801(c)(4) of this title.

''(2) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and the territories and possessions of the United States.

''(3) The term 'base closure law' means the following:

''(A) Section 2687 of this title.

''(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (10 U.S.C. 2687 note).

''(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(D) Any other similar authority for the closure or realignment of military installations that is enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.''.

(2) The table of sections at the beginning of chapter 159 of that title, as amended by section 2811 of this Act, is further amended by inserting after the item relating to section 2687 the following new item:

''2698. Conveyance of surplus real property for natural resource conservation.''.

(b) ACCEPTANCE OF FUNDS TO COVER ADMINISTRATIVE EXPENSES.—Section 2695(b) of that title is amended by adding at the end the following new paragraph:

''(5) The conveyance of real property under section 2698 of this title.''.

(c) AGREEMENTS WITH PRIVATE ENTITIES.—Section 2701(d) of that title is amended—

(1) in paragraph (1), by striking ''with any State or local government agency, or with any Indian tribe,'' and inserting ''any State or local government agency, any Indian tribe, or, for purposes under section 2697 or 2698 of this title, with any private entity''; and

(2) by striking paragraph (4), as redesignated by section 311(1) of this Act, and inserting the following new paragraph (4):

''(4) DEFINITIONS.—In this subsection:

''(A) The term 'Indian tribe' has the meaning given such term in section 101(36) of Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).

''(B) The term 'private entity' means any private entity that has as its stated principal organizational purpose or goal the conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal.''.

SEC. 2813. MODIFICATION OF DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) ADMINISTRATOR OF PROGRAM.—Subsection (a) of section 2814 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1310; 10 U.S.C. 2809 note) is amended by striking ''Secretary of the Army'' and inserting ''Secretary of Defense or the Secretary of a military department''.

(b) CONTRACTS.—Subsection (b) of that section is amended to read as follows:

''(b) CONTRACTS.—(1) Not more than 12 contracts may contain requirements referred to in subsection (a) for the purpose of the demonstration program.

''(2) Except as provided in paragraph (3), the demonstration program may only cover contracts entered into on or after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.

''(3) The Secretary of the Army shall treat any contract containing requirements referred to in subsection (a) that was entered into under the authority in that subsection during the period beginning on December 28, 2001, and ending on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003 as a contract for the purpose of the demonstration program under that subsection.''.

(c) REPORTING REQUIREMENTS.—Subsection (d) of that section is amended by striking ''Secretary of the Army'' and inserting ''Secretary of Defense''.

(d) FUNDING.—(1) Subsection (f) of that section is amended by striking ''the Army'' and inserting ''the military departments or defense-wide''.

(2) The amendment made by paragraph (1) shall not affect the availability for the purpose of the demonstration program under section 2814 of the Military Construction Authorization Act for Fiscal Year 2002, as amended by this section, of any amounts authorized to be appropriated before the date of the enactment of this Act for the Army for military construction that have been obligated for the demonstration program, but not expended, as of that date.

Subtitle C—Land Conveyances

SEC. 2821. CONVEYANCE OF CERTAIN LANDS IN ALASKA NO LONGER REQUIRED FOR NATIONAL GUARD PURPOSES.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to the State of Alaska, or any governmental entity, Native Corporation, or Indian tribe within the State of Alaska, all right, title, and interest of the United States in and to any parcel of real property, including any improvements thereon, described in subsection (b) that the Secretary considers appropriate in the public interest.

(b) COVERED PROPERTY.—Real property described in this subsection is any property located in the State of Alaska that, as determined by the Secretary—

(1) is currently under the jurisdiction of the Department of the Army;

(2) before December 2, 1980, was under the jurisdiction of the Department of the Army for use of the Alaska National Guard;

(3) is located in a unit of the National Wildlife Refuge System designated in the Alaska National Interest Lands Conservation Act (94 Stat. 2371; 16 U.S.C. 1301 note);

(4) is excess to the needs of the Alaska National Guard and the Department of Defense; and

(5) is in such condition that—

(A) the anticipated cost to the United States of retaining such property exceeds the value of such property; or

(B) such property is unsuitable for retention by the United States.

(c) CONSIDERATION.—(1) The conveyance of real property under this section shall, at the election of the Secretary, be for no consideration or for consideration in an amount determined by the Secretary to be appropriate under the circumstances.

(2) If consideration is received under paragraph (1) for property conveyed under subsection (a), the Secretary may use the amounts received, to the extent provided in appropriations Acts, to pay for—

(A) the cost of a survey described in subsection (d) with respect to such property;

(B) the cost of carrying out any environmental assessment, study, or analysis, and any remediation, that may be required under Federal law, or is considered appropriate by the Secretary, in connection with such property or the conveyance of such property; and

(C) any other costs incurred by the Secretary in conveying such property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance of real property under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) DEFINITIONS.—In this section:

(1) The term ''Indian tribe'' has the meaning given such term in section 102 of the Federally Recognized Indian Tribe List Act of 1994 (Public Law 103–454; 108 Stat. 4791; 25 U.S.C. 479a).

(2) The term ''Native Corporation'' has the meaning given such term in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

SEC. 2822. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Hopkinsville, Kentucky (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property at Fort Campbell, Kentucky, consisting of approximately 50 acres and containing an abandoned railroad spur for the purpose of permitting the City to use the property for storm water management, recreation, transportation, and other public purposes.

(b) REIMBURSEMENT OF TRANSACTION COSTS.—(1) The City shall reimburse the Secretary for any costs incurred by the Secretary in carrying out the conveyance authorized by subsection (a).

(2) Any reimbursement for costs that is received under paragraph (1) shall be credited to the fund or account providing funds for such costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(c) DESCRIPTION OF PROPERTY.—The acreage of the real property to be conveyed under subsection (a) has been determined by the Secretary through a legal description outlining such acreage. No further survey of the property is required before conveyance under that subsection.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2823. MODIFICATION OF AUTHORITY FOR LAND TRANSFER AND CONVEYANCE, NAVAL SECURITY GROUP ACTIVITY, WINTER HARBOR, MAINE.

(a) MODIFICATION OF CONVEYANCE AUTHORITY FOR COREA AND WINTER HARBOR PROPERTIES.—Section 2845 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1319) is amended—

(1) by striking subsection (b) and inserting the following new subsection (b):

''(b) CONVEYANCE AND TRANSFER OF COREA AND WINTER HARBOR PROPERTIES AUTHORIZED.—(1) The Secretary of the Navy may convey, without consideration, to the State of Maine, any political subdivision of the State of Maine, or any tax-supported agency in the State of Maine, all right, title, and interest of the United States in and to parcels of real property, including any improvements thereon and appurtenances thereto, comprising the former facilities of the Naval Security Group Activity, Winter Harbor, Maine, as follows:

''(A) The parcel consisting of approximately 50 acres known as the Corea Operations Site.

''(B) Three parcels consisting of approximately 23 acres and comprising family housing facilities.

''(2) The Secretary of the Navy may transfer to the administrative jurisdiction of the Secretary of the Interior a parcel of real property consisting of approximately 404 acres at the former Naval Security Group Activity, which is the balance of the real property comprising the Corea Operations Site.

''(3) The Secretary of the Interior shall administer the property transferred under paragraph (2) as part of the National Wildlife Refuge System.''; and

(2) in subsections (c), (d), (e), (f), (g), and (h), by striking ''subsection (b)'' each place it appears and inserting ''subsection (b)(1)''.

(b) EXEMPTION OF MODIFIED CONVEYANCES FROM FEDERAL SCREENING REQUIREMENT.—That section is further amended—

(1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; and

(2) by inserting after subsection (f) the following new subsection (g):

''(g) EXEMPTION OF CERTAIN CONVEYANCES FROM FEDERAL SCREENING.—Any conveyance authorized by subsection (b)(1) of this section, as amended by section 2823 of the National Defense Authorization Act for Fiscal Year 2003, is exempt from the requirement to screen the property concerned for further Federal use pursuant to section 2696 of title 10, United States Code.''.

SEC. 2824. LAND CONVEYANCE, WESTOVER AIR RESERVE BASE, MASSACHUSETTS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey, without consideration, to the City of Chicopee, Massachusetts (in this section referred to as the ''City''), all right, title, and interest of the United States in and to a parcel of real property, including 133 housing units and other improvements thereon, consisting of approximately 30.38 acres located at Westover Air Reserve Base in Chicopee, Massachusetts, for the purpose of permitting the City to use the property for economic development and other public purposes.

(b) ADMINISTRATIVE EXPENSES.—(1) The Secretary may require the City to reimburse the Secretary for the costs incurred by the Secretary to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation (other than the environmental baseline survey), and other administrative costs related to the conveyance.

(2) Section 2695(c) of title 10, United States Code, shall apply to any amount received under this subsection.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, NAVAL STATION NEWPORT, RHODE ISLAND.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the State of Rhode Island, or any political subdivision thereof, any or all right, title, and interest of the United States in and to a parcel of real property, together with improvements thereon, consisting of approximately 34 acres located in Melville, Rhode Island, and known as the Melville Marina site.

(b) CONSIDERATION.—(1) As consideration for the conveyance of real property under subsection (a), the conveyee shall pay the United States an amount equal to the fair market value of the real property, as determined by the Secretary based on an appraisal of the real property acceptable to the Secretary.

(2) Any consideration received under paragraph (1) shall be deposited in the account established under section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)), and shall be available as provided for in that section.

(c) REIMBURSEMENT OF TRANSACTION COSTS.—(1) The Secretary may require the conveyee of the real property under subsection (a) to reimburse the Secretary for any costs incurred by the Secretary in carrying out the conveyance.

(2) Any reimbursement for costs that is received under paragraph (1) shall be credited to the fund or account providing funds for such costs. Amounts so credited shall be merged with amounts in such fund or account, and shall be available for the same purposes, and subject to the same conditions and limitations, as amounts in such fund or account.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND EXCHANGE, BUCKLEY AIR FORCE BASE, COLORADO.

(a) EXCHANGE AUTHORIZED.—Subject to subsection (b), the Secretary of the Air Force may convey to the State of Colorado (in this section referred to as the ''State'') all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of all or part of the Watkins Communications Site in Arapahoe County, Colorado.

(b) LIMITATION.—The Secretary of the Air Force may carry out the conveyance authorized by subsection (a) only with the concurrence of the Secretary of Defense.

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (a) the State shall convey to the United States of all right, title, and interest of the State in and to a parcel of real property, including improvements thereon, consisting of approximately 41 acres that is owned by the State and is contiguous to Buckley Air Force Base, Colorado.

(2) The Secretary shall have jurisdiction over the real property conveyed under paragraph (1).

(3) Upon conveyance to the United States under paragraph (1), the real property conveyed under that paragraph is withdrawn from all forms of appropriation under the general land laws, including the mining laws and mineral and geothermal leasing laws.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under this section shall be determined by surveys satisfactory to the Secretary.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2827. LAND ACQUISITION, BOUNDARY CHANNEL DRIVE SITE, ARLINGTON, VIRGINIA.

(a) ACQUISITION AUTHORIZED.—The Secretary of Defense may, using amounts authorized to be appropriated to be appropriated by section 2401, acquire all right, title, and interest in and to a parcel of real property, including any improvements thereon, in Arlington County, Virginia, consisting of approximately 7.2 acres and known as the Boundary Channel Drive Site. The parcel is located southeast of Interstate Route 395 at the end of Boundary Channel Drive and was most recently occupied by the Twin Bridges Marriott.

(b) INCLUSION IN PENTAGON RESERVATION.—Upon its acquisition under subsection (a), the parcel acquired under that subsection shall be included in the Pentagon Reservation, as that term is defined in section 2674(f)(1) of title 10, United States Code.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be acquired under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(d) TERMS AND CONDITIONS.—The Secretary may require such terms and conditions in connection with the acquisition under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2828. LAND CONVEYANCES, WENDOVER AIR FORCE BASE AUXILIARY FIELD, NEVADA.

(a) CONVEYANCES AUTHORIZED TO WEST WENDOVER, NEVADA.—(1) The Secretary of the Interior may convey, without consideration, to the City of West Wendover, Nevada, all right, title, and interest of the United States in and to the following:

(A) The lands at Wendover Air Force Base Auxiliary Field, Nevada, identified in Easement No. AFMC–HL–2–00–334 that are determined by the Secretary of the Air Force to be no longer required.

(B) The lands at Wendover Air Force Base Auxiliary Field identified for disposition on the map entitled ''West Wendover, Nevada–Excess'', dated January 5, 2001, that are determined by the Secretary of the Air Force to be no longer required.

(2) The purposes of the conveyances under this subsection are—

(A) to permit the establishment and maintenance of runway protection zones; and

(B) to provide for the development of an industrial park and related infrastructure.

(3) The map referred to in paragraph (1)(B) shall be on file and available for public inspection in the offices of the Director of the Bureau of Land Management and the Elko District Office of the Bureau of Land Management.

(b) CONVEYANCE AUTHORIZED TO TOOELE COUNTY, UTAH.—(1) The Secretary of the Interior may convey, without consideration, to Tooele County, Utah, all right, title, and interest of the United States in and to the lands at Wendover Air Force Base Auxiliary Field identified in Easement No. AFMC–HL–2–00–318 that are determined by the Secretary of the Air Force to be no longer required.

(2) The purpose of the conveyance under this subsection is to permit the establishment and maintenance of runway protection zones and an aircraft accident potential protection zone as necessitated by continued military aircraft operations at the Utah Test and Training Range.

(c) MANAGEMENT OF CONVEYED LANDS.—The lands conveyed under subsections (a) and (b) shall be managed by the City of West Wendover, Nevada, City of Wendover, Utah, Tooele County, Utah, and Elko County, Nevada—

(1) in accordance with the provisions of an Interlocal Memorandum of Agreement entered into between the Cities of West Wendover, Nevada, and Wendover, Utah, Tooele County, Utah, and Elko County, Nevada, providing for the coordinated management and development of the lands for the economic benefit of both communities; and

(2) in a manner that is consistent with such provisions of the easements referred to subsections (a) and (b) that, as jointly determined by the Secretary of the Air Force and Secretary of the Interior, remain applicable and relevant to the operation and management of the lands following conveyance and are consistent with the provisions of this section.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force and the Secretary of the Interior may jointly require such additional terms and conditions in connection with the conveyances required by subsections (a) and (b) as the Secretaries consider appropriate to protect the interests of the United States.

SEC. 2829. LAND CONVEYANCE, FORT HOOD, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Veterans Land Board of the State of Texas (in this section referred to as the ''Board''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 174 acres at Fort Hood, Texas, for the purpose of permitting the Board to establish a State-run cemetery for veterans.

(b) REVERSIONARY INTEREST.—(1) If at the end of the five-year period beginning on the date of the conveyance authorized by subsection (a), the Secretary determines that the property conveyed under that subsection is not being used for the purpose specified in that subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(2) Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2830. LAND CONVEYANCES, ENGINEER PROVING GROUND, FORT BELVOIR, VIRGINIA.

(a) CONVEYANCE TO FAIRFAX COUNTY, VIRGINIA, AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to Fairfax County, Virginia, all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 135 acres, located in the northwest portion of the Engineer Proving Ground (EPG) at Fort Belvoir, Virginia, in order to permit the County to use such property for park and recreational purposes.

(2) The parcel of real property authorized to be conveyed by paragraph (1) is generally described as that portion of the Engineer Proving Ground located west of Accotink Creek, east of the Fairfax County Parkway, and north of Cissna Road to the northern boundary, but excludes a parcel of land consisting of approximately 15 acres located in the southeast corner of such portion of the Engineer Proving Ground.

(3) The land excluded under paragraph (2) from the parcel of real property authorized to be conveyed by paragraph (1) shall be reserved for an access road to be constructed in the future.

(b) CONVEYANCE OF BALANCE OF PROPERTY AUTHORIZED.—The Secretary may convey to any competitively selected grantee all right, title, and interest of the United States in and to the real property, including any improvements thereon, at the Engineering Proving Ground, not conveyed under the authority in subsection (a).

(c) CONSIDERATION.—(1) As consideration for the conveyance authorized by subsection (b), the grantee shall provide the United States, whether by cash payment, in-kind contribution, or a combination thereof, an amount that is not less than the fair market value, as determined by the Secretary, of the property conveyed under that subsection.

(2) In-kind consideration under paragraph (1) may include the maintenance, improvement, alteration, repair, remodeling, restoration (including environmental restoration), or construction of facilities for the Department of the Army at Fort Belvoir or at any other site or sites designated by the Secretary.

(3) If in-kind consideration under paragraph (1) includes the construction of facilities, the grantee shall also convey to the United States—

(A) title to such facilities, free of all liens and other encumbrances; and

(B) if the United States does not have fee simple title to the land underlying such facilities, convey to the United States all right, title, and interest in and to such lands not held by the United States.

(4) The Secretary shall deposit any cash received as consideration under this subsection in the special account established pursuant to section 204(h) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(d) REPEAL OF SUPERSEDED AUTHORITY.—Section 2821 of the Military Construction Authorization Act for Fiscal Years 1990 and 1991 (division B of Public Law 101–189; 103 Stat. 1658), as amended by section 2854 of the Military Construction Authorization Act for Fiscal Year 1996

(division B of Public Law 104–106; 110 Stat. 568), is repealed.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of each such survey shall be borne by the grantee.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsections (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2831. MASTER PLAN FOR USE OF NAVY ANNEX, ARLINGTON, VIRGINIA.

(a) REPEAL OF COMMISSION ON NATIONAL MILITARY MUSEUM.—Title XXIX of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 880; 10 U.S.C. 111 note) is repealed.

(b) MODIFICATION OF AUTHORITY FOR TRANSFER FROM NAVY ANNEX.—Section 2881 of the Military Construction Authorization Act for Fiscal Year 2000 (113 Stat. 879) is amended—

(1) in subsection (b)(2), as amended by section 2863(f) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1332), by striking ''as a site—'' and all that follows and inserting ''as a site for such other memorials or museums that the Secretary considers compatible with Arlington National Cemetery and the Air Force Memorial.''; and

(2) in subsection (d)—

(A) in paragraph (2), by striking ''the recommendation (if any) of the Commission on the National Military Museum to use a portion of the Navy Annex property as the site for the National Military Museum'', and inserting ''the use of the acres reserved under (b)(2) as a memorial or museum''; and

(B) in paragraph (4), by striking ''the date on which the Commission on the National Military Museum submits to Congress its report under section 2903'' and inserting ''the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003''.

(c) CONSTRUCTION OF AMENDMENTS.—The amendments made by subsections (a) and (b) may not be construed to delay the establishment of the United States Air Force Memorial authorized by section 2863 of the Military Construction Authorization Act for Fiscal Year 2002 (115 Stat. 1330).

SEC. 2832. LAND CONVEYANCE, SUNFLOWER ARMY AMMUNITION PLANT, KANSAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army or the Administrator of General Services may convey, without consideration, to the Johnson County Park and Recreation District, Kansas (in this section referred to as the ''District''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, in the State of Kansas consisting of approximately 2,000 acres, a portion of the Sunflower Army Ammunition Plant. The purpose of the conveyance is to permit the District to use the parcel for public recreational purposes.

(b) DESCRIPTION OF PROPERTY.—The exact acreage, location, and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the official making the conveyance. The cost of such legal description, survey, or both shall be borne by the District.

(c) ADDITIONAL TERMS AND CONDITIONS.—The official making the conveyance of real property under subsection (a) may require such additional terms and conditions in connection with the conveyance as that official considers appropriate to protect the interests of the United States.

(d) EFFECTIVE DATE.—This section shall take effect on January 31, 2003.

SEC. 2833. LAND CONVEYANCE, BLUEGRASS ARMY DEPOT, RICHMOND, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—(1) The Secretary of the Army may convey, without consideration, to Madison County, Kentucky (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 10 acres at the Bluegrass Army Depot, Richmond, Kentucky, for the purpose of facilitating the construction of a veterans' center on the parcel by the State of Kentucky.

(2) The Secretary may not make the conveyance authorized by this subsection unless the Secretary determines that the State of Kentucky has appropriated adequate funds for the construction of the veterans' center.

(b) REVERSIONARY INTEREST.—If the Secretary determines that the real property conveyed under subsection (a) ceases to be utilized for the sole purpose of a veterans' center or that reasonable progress is not demonstrated in constructing the center and initiating services to veterans, all right, title, and interest in and to the property shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination under this subsection shall be made on the record after an opportunity for a hearing.

(c) ADMINISTRATIVE EXPENSES.—The Secretary shall apply section 2695 of title 10, United States Code, to the conveyance authorized by subsection (a).

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2841. TRANSFER OF FUNDS FOR ACQUISITION OF REPLACEMENT PROPERTY FOR NATIONAL WILDLIFE REFUGE SYSTEM LANDS IN NEVADA.

(a) TRANSFER OF FUNDS AUTHORIZED.—(1) The Secretary of the Air Force may, using amounts authorized to be appropriated by section 2304(a), transfer to the United States Fish and Wildlife Service $15,000,000 to fulfill the obligations of the Air Force under section 3011(b)(5)(F) of the Military Lands Withdrawal Act of 1999 (title XXX of Public Law 106–65; 113 Stat. 889).

(2) Upon receipt by the Service of the funds transferred under paragraph (1), the obligations of the Air Force referred to in that paragraph shall be considered fulfilled.

(b) CONTRIBUTION TO FOUNDATION.—(1) The United States Fish and Wildlife Service may grant funds received by the Service under subsection (a) in a lump sum to the National Fish and Wildlife Foundation for use in accomplishing the purposes of section 3011(b)(5)(F) of the Military Lands Withdrawal Act of 1999.

(2) Funds received by the Foundation under paragraph (1) shall be subject to the provisions of the National Fish and Wildlife Foundation Establishment Act (16 U.S.C. 3701 et seq.), other than section 10(a) of that Act (16 U.S.C. 3709(a)).

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $8,160,043,000, to be allocated as follows:

(1) WEAPONS ACTIVITIES.—For weapons activities, $5,988,188,000, to be allocated as follows:

(A) For directed stockpile work, $1,218,967,000.

(B) For campaigns, $2,090,528,000, to be allocated as follows:

(i) For operation and maintenance, $1,740,983,000.

(ii) For construction, $349,545,000, to be allocated as follows:

Project 01–D–101, distributed information systems laboratory, Sandia National Laboratories, Livermore, California, $13,305,000.

Project 00–D–103, terascale simulation facility, Lawrence Livermore National Laboratory, Livermore, California, $35,030,000.

Project 00–D–107, joint computational engineering laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $7,000,000.

Project 98–D–125, tritium extraction facility, Savannah River Plant, Aiken, South Carolina, $70,165,000.

Project 96–D–111, national ignition facility (NIF), Lawrence Livermore National Laboratory, Livermore, California, $224,045,000.

(C) For readiness in technical base and facilities, $1,735,129,000, to be allocated as follows:

(i) For operation and maintenance, $1,464,783,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $270,346,000, to be allocated as follows:

Project 03–D–101, Sandia underground reactor facility (SURF), Sandia National Laboratory, Livermore, California, $2,000,000.

Project 03–D–103, project engineering and design (PED), various locations, $17,839,000.

Project 03–D–121, gas transfer capacity expansion, Kansas City Plant, Kansas City, Missouri, $4,000,000.

Project 03–D–122, purification prototype facility, Y–12 Plant, Oak Ridge, Tennessee, $20,800,000.

Project 03–D–123, special nuclear material component requalification facility, Pantex Plant, Amarillo, Texas, $3,000,000

Project 02–D–103, project engineering and design (PED), various locations, $24,945,000.

Project 02–D–105, engineering technology complex upgrade, Lawrence Livermore National Laboratory, Livermore, California, $10,000,000.

Project 02–D–107, electrical power systems safety communications and bus upgrades, Nevada Test Site, Nevada, $7,500,000.

Project 01–D–103, project engineering and design (PED), various locations, $6,164,000.

Project 01–D–107, Atlas relocation, Nevada Test Site, Nevada, $4,123,000.

Project 01–D–108, microsystems and engineering sciences applications (MESA), Sandia National Laboratories, Albuquerque, New Mexico, $75,000,000.

Project 01–D–124, HEU storage facility, Y–12 Plant, Oak Ridge, Tennessee, $25,000,000.

Project 01–D–126, weapons evaluation test laboratory, Pantex Plant, Amarillo, Texas, $8,650,000.

Project 01–D–800, sensitive compartmented information facility, Lawrence Livermore National Laboratory, Livermore, California, $9,611,000.

Project 99–D–103, isotope sciences facilities, Lawrence Livermore National Laboratory, Livermore, California, $4,011,000.

Project 99–D–104, protection of real property (roof reconstruction, phase II), Lawrence Livermore National Laboratory, Livermore, California, $5,915,000.

Project 99–D–127, stockpile management restructuring initiative, Kansas City Plant, Kansas City, Missouri, $29,900,000.

Project 99–D–128, stockpile management restructuring initiative, Pantex Plant, Amarillo, Texas, $407,000.

Project 98–D–123, stockpile management restructuring initiative, tritium facility modernization and consolidation, Savannah River Plant, Aiken, South Carolina, $10,481,000.

Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $1,000,000.

(C) For secure transportation asset, $157,083,000, to be allocated as follows:

(i) For operation and maintenance, $102,578,000.

(ii) For program direction, $54,505,000.

(D) For safeguards and security, $574,954,000, to be allocated as follows:

(i) For operation and maintenance, $566,054,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $8,900,000, to be allocated as follows:

Project 99–D–132, stockpile management restructuring initiative, nuclear material safeguards and security upgrades project, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,900,000.

(E) For facilities and infrastructure, $242,512,000.

(2) DEFENSE NUCLEAR NONPROLIFERATION.—For defense nuclear nonproliferation activities, $1,129,130,000, to be allocated as follows:

(A) For operation and maintenance, $1,037,130,000, to be allocated as follows:

(i) For nonproliferation and verification research and development, $298,907,000.

(ii) For nonproliferation programs, $446,223,000.

(iii) For fissile materials, $292,000,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $156,000,000, to be allocated as follows:

Project 01–D–407, highly enriched uranium blend-down, Savannah River Site, Aiken, South Carolina, $30,000,000.

Project 99–D–141, pit disassembly and conversion facility, Savannah River Site, Aiken, South Carolina, $33,000,000.

Project 99–D–143, mixed oxide fuel fabrication facility, Savannah River Site, Aiken, South Carolina, $93,000,000.

(3) NAVAL REACTORS.—For naval reactors, $707,020,000, to be allocated as follows:

(A) For naval reactors development, $682,590,000, to be allocated as follows:

(i) For operation and maintenance, $671,290,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $11,300,000, to be allocated as follows:

Project 03–D–201, cleanroom technology facility, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $7,200,000.

Project 01–D–200, major office replacement building, Schenectady, New York, $2,100,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $2,000,000.

(B) For program direction, $24,430,000.

(4) OFFICE OF ADMINISTRATOR FOR NUCLEAR SECURITY.—For the Office of the Administrator for Nuclear Security, and for program direction for the National Nuclear Security Administration (other than for naval reactors and secure transportation asset), $335,705,000.

SEC. 3102. DEFENSE ENVIRONMENTAL MANAGEMENT.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for environmental management activities in carrying out programs necessary for national security in the amount of $6,710,774,000, to be allocated as follows:

(1) CLOSURE PROJECTS.—For closure projects carried out in accordance with section 3143 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2836; 42 U.S.C. 7277n), $1,109,314,000.

(2) SITE/PROJECT COMPLETION.—For site completion and project completion in carrying out environmental management activities necessary for national security programs, $793,950,000, to be allocated as follows:

(A) For operation and maintenance, $779,706,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $14,244,000, to be allocated as follows:

Project 02–D–402, Intec cathodic protection system expansion, Idaho National Engineering and Environmental Laboratory, Idaho Falls, Idaho, $1,119,000.

Project 02–D–420, plutonium stabilization and packaging, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 01–D–414, project engineering and design (PED), various locations, $5,125,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $6,000,000.

(3) POST-2006 COMPLETION.—For post-2006 completion in carrying out environmental restoration and waste management activities necessary for national security programs, $2,617,199,000, to be allocated as follows:

(A) For operation and maintenance, $1,704,341,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $14,870,000, to be allocated as follows:

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River Site, Aiken, South Carolina, $14,870,000.

(C) For the Office of River Protection in carrying out environmental restoration and waste management activities necessary for national security programs, $897,988,000, to be allocated as follows:

(i) For operation and maintenance, $226,256,000.

(ii) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $671,732,000, to be allocated as follows:

Project 03–D–403, immobilized high-level waste interim storage facility, Richland, Washington, $6,363,000.

Project 01–D–416, waste treatment and immobilization plant, Richland, Washington, $619,000,000.

Project 97–D–402, tank farm restoration and safe operations, Richland, Washington, $25,424,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $20,945,000.

(4) SCIENCE AND TECHNOLOGY DEVELOPMENT.—For science and technology development in carrying out environmental management activities necessary for national security programs, $92,000,000.

(5) EXCESS FACILITIES.—For excess facilities in carrying out environmental management activities necessary for national security programs, $1,300,000.

(6) SAFEGUARDS AND SECURITY.—For safeguards and security in carrying out environmental management activities necessary for national security programs, $278,260,000.

(7) URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND.—For contribution to the Uranium Enrichment Decontamination and Decommissioning Fund under chapter 28 of the Atomic Energy Act of 1954 (42 U.S.C. 2297g et seq.), $441,000,000.

(8) ENVIRONMENTAL MANAGEMENT CLEANUP REFORM.—For accelerated environmental restoration and waste management activities, $1,000,000,000.

(9) PROGRAM DIRECTION.—For program direction in carrying out environmental restoration and waste management activities necessary for national security programs, $396,098,000.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for other defense activities in carrying out programs necessary for national security in the amount of $489,883,000, to be allocated as follows:

(1) INTELLIGENCE.—For intelligence, $43,559,000.

(2) COUNTERINTELLIGENCE.—For counterintelligence, $48,083,000.

(3) OFFICE OF SECURITY.—For the Office of Security for security, $252,218,000, to be allocated as follows:

(A) For nuclear safeguards and security, $156,102,000.

(B) For security investigations, $45,870,000.

(C) For program direction, $50,246,000.

(4) INDEPENDENT OVERSIGHT AND PERFORMANCE ASSURANCE.—For independent oversight and performance assurance, $22,615,000.

(5) OFFICE OF ENVIRONMENT, SAFETY, AND HEALTH.—For the Office of Environment, Safety, and Health, $104,910,000, to be allocated as follows:

(A) For environment, safety, and health (defense), $86,892,000.

(B) For program direction, $18,018,000.

(6) WORKER AND COMMUNITY TRANSITION ASSISTANCE.—For worker and community transition assistance, $25,774,000, to be allocated as follows:

(A) For worker and community transition, $22,965,000.

(B) For program direction, $2,809,000.

(7) OFFICE OF HEARINGS AND APPEALS.—For the Office of Hearings and Appeals, $3,136,000.

SEC. 3104. DEFENSE ENVIRONMENTAL MANAGEMENT PRIVATIZATION.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for privatization initiatives in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $158,399,000, to be allocated as follows:

Project 98–PVT–2, spent nuclear fuel dry storage, Idaho Falls, Idaho, $53,399,000.

Project 97–PVT–2, advanced mixed waste treatment project, Idaho Falls, Idaho, $105,000,000.

SEC. 3105. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $215,000,000.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 115 percent of the amount authorized for that program by this title; or

(B) $5,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON MINOR CONSTRUCTION PROJECTS.

(a) AUTHORITY.—The Secretary of Energy may carry out any minor construction project using operation and maintenance funds, or facilities and infrastructure funds, authorized by this title.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding year. Each report shall provide a brief description of each minor construction project covered by the report.

(c) COST VARIATION REPORTS TO CONGRESSIONAL COMMITTEES.—If, at any time during the construction of any minor construction project authorized by this title, the estimated cost of the project is revised and the revised cost of the project exceeds $5,000,000, the Secretary shall immediately submit to the congressional defense committees a report explaining the reasons for the cost variation.

(d) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term ''minor construction project'' means any plant project not specifically authorized by law if the approved total estimated cost of the plant project does not exceed $5,000,000.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, authorized by section 3101, 3102, or 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(b) EXCEPTION.—Subsection (a) does not apply to a construction project with a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committees on Armed Services of the Senate and House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a minor construction project the total estimated cost of which is less than $5,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated for advance planning, engineering, and construction design, and for plant projects, under sections 3101, 3102, 3103, and 3104 to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), when so specified in an appropriations Act, amounts appropriated for operation and maintenance or for plant projects may remain available until expended.

(b) EXCEPTION FOR PROGRAM DIRECTION FUNDS.—Amounts appropriated for program direction pursuant to an authorization of appropriations in subtitle A shall remain available to be expended only until the end of fiscal year 2004.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary—

(A) to address a risk to health, safety, or the environment; or

(B) to assure the most efficient use of defense environmental management funds at the field office.

(4) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in paragraph (2) or (3) of section 3102.

(B) A program or project not described in subparagraph (A) that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by that office, and for which defense environmental management funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2002, and ending on September 30, 2003.

SEC. 3130. TRANSFER OF WEAPONS ACTIVITIES FUNDS.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—(1) Not more than three transfers may be made to or from any program or project under subsection (a) in a fiscal year.

(2) The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer—

(A) is necessary to address a risk to health, safety, or the environment; or

(B) will result in cost savings and efficiencies.

(4) A transfer may not be carried out by a manager of a field office under subsection (a) to cover a cost overrun or scheduling delay for any program or project.

(5) Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section:

(1) The term ''program or project'' means, with respect to a field office of the Department of Energy, any of the following:

(A) A program referred to or a project listed in section 3101(1).

(B) A program or project not described in subparagraph (A) that is for weapons activities necessary for national security programs of the Department, that is being carried out by that office, and for which weapons activities funds have been authorized and appropriated before the date of the enactment of this Act.

(2) The term ''weapons activities funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

(f) DURATION OF AUTHORITY.—The managers of the field offices of the Department may exercise the authority provided under subsection (a) during the period beginning on October 1, 2002, and ending on September 30, 2003.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. AVAILABILITY OF FUNDS FOR ENVIRONMENTAL MANAGEMENT CLEANUP REFORM.

(a) LIMITATION ON AVAILABILITY FOR ENVIRONMENTAL MANAGEMENT CLEANUP REFORM.—None of the funds authorized to be appropriated by section 3102(8) for the Department of Energy for environmental management cleanup reform may be obligated or expended until the Secretary of Energy—

(1) publishes in the Federal Register, and submits to the congressional defense committees, a report setting forth criteria established by the Secretary—

(A) for selecting the projects that will receive funding using such funds; and

(B) for setting priorities among the projects selected under subparagraph (A); or

(2) notifies the congressional defense committees that the criteria described by paragraph (1) will not be established.

(b) REQUIREMENTS REGARDING ESTABLISHMENT OF CRITERIA.—Before establishing criteria, if any, under subsection (a)(1), the Secretary shall publish a proposal for such criteria in the Federal Register, and shall provide a period of 45 days for public notice and comment on the proposal.

(c) AVAILABILITY OF FUNDS IF CRITERIA ARE NOT ESTABLISHED.—(1) If the Secretary exercises the authority under subsection (a)(2), the Secretary shall reallocate the funds referred to in subsection (a) among sites that received funds during fiscal year 2002 for defense environmental restoration and waste management activities under section 3102 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–197; 115 Stat. 1358).

(2) The amount of funds referred to in subsection (a) that are allocated under paragraph (1) to a site described in that paragraph shall bear the same ratio to the amount of funds referred to in subsection (a) as the amount of funds received by such site during fiscal year 2002 under section 3102 of the National Defense Authorization Act for Fiscal Year 2002 bears to the total amount of funds made available to all sites during fiscal year 2002 under that section.

(3) No funds allocated under paragraph (1) may be obligated or expended until 30 days after the Secretary submits to the congressional defense committee a list of the projects at each site allocated funds under that paragraph, and the amount of such funds to be provided to each such project at each such site.

(4) Funds referred to in subsection (a) may not be obligated or expended for any site that was not funded in fiscal year 2002 from amounts available to the Department of Energy under title XXXI of the National Defense Authorization Act for Fiscal Year 2002.

SEC. 3132. ROBUST NUCLEAR EARTH PENETRATOR.

Not later than February 3, 2003, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the Robust Nuclear Earth Penetrator (RNEP). The report shall set forth—

(1) the military requirements for the Robust Nuclear Earth Penetrator;

(2) the nuclear weapons employment policy regarding the Robust Nuclear Earth Penetrator;

(3) a detailed description of the categories or types of targets that the Robust Nuclear Earth Penetrator is designed to hold at risk; and

(4) an assessment of the ability of conventional weapons to address the same categories and types of targets described under paragraph (3).

SEC. 3133. DATABASE TO TRACK NOTIFICATION AND RESOLUTION PHASES OF SIGNIFICANT FINDING INVESTIGATIONS.

(a) AVAILABILITY OF FUNDS FOR DATABASE.—Amounts authorized to be appropriated by section 3101(1) for the National Nuclear Security Administration for weapons activities shall be available to the Deputy Administrator for Nuclear Security for Defense Programs for the development and implementation of a database for all national security laboratories to track the notification and resolution phases of Significant Finding Investigations (SFIs). The purpose of the database is to facilitate the monitoring of the progress and accountability of the national security laboratories in Significant Finding Investigations.

(b) IMPLEMENTATION DEADLINE.—The database required by subsection (a) shall be implemented not later than September 30, 2003.

(c) NATIONAL SECURITY LABORATORY DEFINED.—In this section, the term ''national security laboratory'' has the meaning given that term in section 3281(1) of the National Nuclear Security Administration Act (title XXXII of Public Law 106–65; 113 Stat. 968; 50 U.S.C. 2471(1)).

SEC. 3134. REQUIREMENTS FOR SPECIFIC REQUEST FOR NEW OR MODIFIED NUCLEAR WEAPONS.

(a) REQUIREMENT FOR REQUEST FOR FUNDS FOR DEVELOPMENT.—(1) In any fiscal year after fiscal year 2002 in which the Secretary of Energy plans to carry out activities described in paragraph (2) relating to the development of a new nuclear weapon or modified nuclear weapon, the Secretary shall specifically request funds for such activities in the budget of the President for that fiscal year under section 1105(a) of title 31, United States Code.

(2) The activities described in this paragraph are as follows:

(A) The conduct, or provision for conduct, of research and development which could lead to the production of a new nuclear weapon by the United States.

(B) The conduct, or provision for conduct, of engineering or manufacturing to carry out the production of a new nuclear weapon by the United States.

(C) The conduct, or provision for conduct, of research and development which could lead to the production of a modified nuclear weapon by the United States.

(D) The conduct, or provision for conduct, of engineering or manufacturing to carry out the production of a modified nuclear weapon by the United States.

(b) BUDGET REQUEST FORMAT.—The Secretary shall include in a request for funds under subsection (a) the following:

(1) In the case of funds for activities described in subparagraph (A) or (C) of subsection (a)(2), a dedicated line item for each such activity for a new nuclear weapon or modified nuclear weapons that is in phase 1 or 2A or phase 6.1 or 6.2A, as the case may be, of the nuclear weapons acquisition process.

(2) In the case of funds for activities described in subparagraph (B) or (D) of subsection (a)(2), a dedicated line item for each such activity for a new nuclear weapon or modified nuclear weapon that is in phase 3 or higher or phase 6.3 or higher, as the case may be, of the nuclear weapons acquisition process.

(c) EXCEPTION.—Subsections (a) shall not apply to funds for purposes of conducting, or providing for the conduct of, research and development, or manufacturing and engineering, determined by the Secretary to be necessary—

(1) for the nuclear weapons life extension program;

(2) to modify an existing nuclear weapon solely to address safety or reliability concerns; or

(3) to address proliferation concerns.

(d) CONSTRUCTION WITH PROHIBITION ON RESEARCH AND DEVELOPMENT ON LOW-YIELD NUCLEAR WEAPONS.—Nothing in this section may be construed to modify, repeal, or in any way affect the provisions of section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1946; 42 U.S.C. 2121 note), relating to prohibitions on research and development on low-yield nuclear weapons.

(e) DEFINITIONS.—In this section:

(1) The term ''life extension program'' means the program to repair or replace non-nuclear components, or to modify the pit or canned subassembly, of nuclear weapons in the nuclear weapons stockpile on the date of the enactment of this Act in order to assure that such nuclear weapons retain the ability to meet the military requirements applicable to such nuclear weapons when first placed in the nuclear weapons stockpile.

(2) The term ''modified nuclear weapon'' means a nuclear weapon that contains a pit or canned subassembly, either of which—

(A) is in the nuclear weapons stockpile as of the date of the enactment of this Act; and

(B) is being modified in order to meet a military requirement that is other than the military requirements applicable to such nuclear weapon when first placed in the nuclear weapons stockpile.

(3) The term ''new nuclear weapon'' means a nuclear weapon that contains a pit or canned subassembly, either of which is neither—

(A) in the nuclear weapons stockpile on the date of the enactment of this Act; nor

(B) in production as of that date.

SEC. 3135. REQUIREMENT FOR AUTHORIZATION BY LAW FOR FUNDS OBLIGATED OR EXPENDED FOR DEPARTMENT OF ENERGY NATIONAL SECURITY ACTIVITIES.

Section 660 of the Department of Energy Organization Act (42 U.S.C. 7270) is amended—

(1) by inserting ''(a)'' before ''Appropriations''; and

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

''(b)(1) No funds for the Department may be obligated or expended for—

''(A) national security programs and activities of the Department; or

''(B) activities under the Atomic Energy Act of 1954 (42 U.S.C. 2012 et seq.);

unless funds therefor have been specifically authorized by law.

''(2) Nothing in paragraph (1) may be construed to preclude the requirement under subsection (a), or under any other provision of law, for an authorization of appropriations for programs and activities of the Department (other than programs and activities covered by that paragraph) as a condition to the obligation and expenditure of funds for programs and activities of the Department (other than programs and activities covered by that paragraph).''.

SEC. 3136. LIMITATION ON AVAILABILITY OF FUNDS FOR PROGRAM TO ELIMINATE WEAPONS GRADE PLUTONIUM PRODUCTION IN RUSSIA.

(a) LIMITATION.—Of the amounts authorized to be appropriated by this title for the program to eliminate weapons grade plutonium production, the Administrator for Nuclear Security may not obligate or expend more than $100,000,000 for that program until 30 days after the date on which the Administrator submits to the congressional defense committees a copy of an agreement entered into between the United States Government and the Government of the Russian Federation to shut down the three plutonium-producing reactors in Russia.

(b) AGREEMENT ELEMENTS.—The agreement under subsection (a)—

(1) shall contain—

(A) a commitment to shut down the three plutonium-producing reactors;

(B) the date on which each such reactor will be shut down;

(C) a schedule and milestones for each such reactor to complete the shut down of such reactor by the date specified under subparagraph (B);

(D) an arrangement for access to sites and facilities necessary to meet such schedules and milestones; and

(E) an arrangement for audit and examination procedures in order to evaluate progress in meeting such schedules and milestones; and

(2) may include cost sharing arrangements.

Subtitle D—Proliferation Matters

SEC. 3151. ADMINISTRATION OF PROGRAM TO ELIMINATE WEAPONS GRADE PLUTONIUM PRODUCTION IN RUSSIA.

(a) TRANSFER OF PROGRAM TO DEPARTMENT OF ENERGY.—The program to eliminate weapons grade plutonium production in Russia shall be transferred from the Department of Defense to the Department of Energy.

(b) TRANSFER OF ASSOCIATED FUNDS.—(1) Notwithstanding any restriction or limitation in law on the availability of Cooperative Threat Reduction funds specified in paragraph (2), the Cooperative Threat Reduction funds specified in that paragraph that are available for the program referred to in subsection (a) shall be transferred from the Department of Defense to the Department of Energy.

(2) The Cooperative Threat Reduction funds specified in this paragraph are the following:

(A) Fiscal year 2002 Cooperative Threat Reduction funds, as specified in section 1301(b) of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1254; 22 U.S.C. 5952 note).

(B) Fiscal year 2001 Cooperative Threat Reduction funds, as specified in section 1301(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–339).

(C) Fiscal year 2000 Cooperative Threat Reduction funds, as specified in section 1301(b) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 113 Stat. 792; 22 U.S.C. 5952 note).

(c) AVAILABILITY OF TRANSFERRED FUNDS.—(1) Notwithstanding any restriction or limitation in law on the availability of Cooperative Threat Reduction funds specified in subsection (b)(2), the Cooperative Threat Reduction funds transferred under subsection (b) for the program referred to in subsection (a) shall be available for activities as follows:

(A) To design and construct, refurbish, or both, fossil fuel energy plants in Russia that provide alternative sources of energy to the energy plants in Russia that produce weapons grade plutonium.

(B) To carry out limited safety upgrades of not more than three energy plants in Russia that produce weapons grade plutonium in order to permit the shutdown of such energy plants and eliminate the production of weapons grade plutonium in such energy plants.

(2) Amounts available under paragraph (1) for activities referred to in that paragraph shall remain available for such activities until expended.

SEC. 3152. REPEAL OF REQUIREMENT FOR REPORTS ON OBLIGATION OF FUNDS FOR PROGRAMS ON FISSILE MATERIALS IN RUSSIA.

Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617; 22 U.S.C. 5952 note) is amended—

(1) in subsection (a), by striking ''(a) AUTHORITY.—''; and

(2) by striking subsection (b).

SEC. 3153. EXPANSION OF ANNUAL REPORTS ON STATUS OF NUCLEAR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAMS.

(a) COVERED PROGRAMS.—Subsection (a) of section 3171 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–475) is amended by striking ''Russia that'' and inserting ''countries where such materials''.

(b) REPORT CONTENTS.—Subsection (b) of that section is amended—

(1) in paragraph (1) by inserting ''in each country covered by subsection (a)'' after ''locations,'';

(2) in paragraph (2), by striking ''in Russia'' and inserting ''in each such country'';

(3) in paragraph (3), by inserting ''in each such country'' after ''subsection (a)''; and

(4) in paragraph (5), by striking ''by total amount and by amount per fiscal year'' and inserting ''by total amount per country and by amount per fiscal year per country''.

SEC. 3154. TESTING OF PREPAREDNESS FOR EMERGENCIES INVOLVING NUCLEAR, RADIOLOGICAL, CHEMICAL, OR BIOLOGICAL WEAPONS.

(a) EXTENSION OF TESTING.—Section 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 110 Stat. 2720; 50 U.S.C. 2315) is amended—

(1) in subsection (a)(2), by striking ''of five successive fiscal years beginning with fiscal year 1997'' and inserting ''of fiscal years 1997 through 2013''; and

(2) in subsection (b)(2), by striking ''of five successive fiscal years beginning with fiscal year 1997'' and inserting ''of fiscal years 1997 through 2013''.

(b) CONSTRUCTION OF EXTENSION WITH DESIGNATION OF ATTORNEY GENERAL AS LEAD OFFICIAL.—The amendment made by subsection (a) may not be construed as modifying the designation of the President entitled ''Designation of the Attorney General as the Lead Official for the Emergency Response Assistance Program Under Sections 1412 and 1415 of the National Defense Authorization Act for Fiscal Year 1997'', dated April 6, 2000, designating the Attorney General to assume programmatic and funding responsibilities for the Emergency Response Assistance Program under sections 1412 and 1415 of the Defense Against Weapons of Mass Destruction Act of 1996.

SEC. 3155. PROGRAM ON RESEARCH AND TECHNOLOGY FOR PROTECTION FROM NUCLEAR OR RADIOLOGICAL TERRORISM.

(a) PROGRAM REQUIRED.—(1) The Administrator for Nuclear Security shall carry out a program on research and technology for protection from nuclear or radiological terrorism, including technology for the detection (particularly as border crossings and ports of entry), identification, assessment, control, disposition, consequence management, and consequence mitigation of the dispersal of radiological materials or of nuclear terrorism.

(2) The Administrator shall carry out the program as part of the support of the Administrator for homeland security and counterterrorism within the National Nuclear Security Administration

(b) PROGRAM ELEMENTS.—In carrying out the program required by subsection (a), the Administrator shall—

(1) provide for the development of technologies to respond to threats or incidents involving nuclear or radiological terrorism in the United States;

(2) demonstrate applications of the technologies developed under paragraph (1), including joint demonstrations with the Office of Homeland Security and other appropriate Federal agencies;

(3) provide, where feasible, for the development in cooperation with the Russian Federation of technologies to respond to nuclear or radiological terrorism in the former states of the Soviet Union, including the demonstration of technologies so developed;

(4) provide, where feasible, assistance to other countries on matters relating to nuclear or radiological terrorism, including—

(A) the provision of technology and assistance on means of addressing nuclear or radiological incidents;

(B) the provision of assistance in developing means for the safe disposal of radioactive materials;

(C) in coordination with the Nuclear Regulatory Commission, the provision of assistance in developing the regulatory framework for licensing and developing programs for the protection and control of radioactive sources; and

(D) the provision of assistance in evaluating the radiological sources identified as not under current accounting programs in the report of the Inspector General of the Department of Energy entitled ''Accounting for Sealed Sources of Nuclear Material Provided to Foreign Countries'', and in identifying and controlling radiological sources that represent significant risks; and

(5) in coordination with the Office of Environment, Safety, and Health of the Department of Energy, the Department of Commerce, and the International Atomic Energy Agency, develop consistent criteria for screening international transfers of radiological materials.

(c) REQUIREMENTS FOR INTERNATIONAL ELEMENTS OF PROGRAM.—(1) In carrying out activities in accordance with paragraphs (3) and (4) of subsection (b), the Administrator shall consult with—

(A) the Secretary of Defense, Secretary of State, and Secretary of Commerce; and

(B) the International Atomic Energy Agency.

(2) The Administrator shall encourage joint leadership between the United States and the Russian Federation of activities on the development of technologies under subsection (b)(4).

(d) INCORPORATION OF RESULTS IN EMERGENCY RESPONSE ASSISTANCE PROGRAM.—To the maximum extent practicable, the technologies and information developed under the program required by subsection (a) shall be incorporated into the program on responses to emergencies involving nuclear and radiological weapons carried out under section 1415 of the Defense Against Weapons of Mass Destruction Act of 1996 (title XIV of Public Law 104–201; 50 U.S.C. 2315).

(e) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3101(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation and available for the development of a new generation of radiation detectors for homeland defense, up to $15,000,000 shall be available for carrying out this section.

SEC. 3156. EXPANSION OF INTERNATIONAL MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM.

(a) EXPANSION OF PROGRAM TO ADDITIONAL COUNTRIES AUTHORIZED.—The Secretary of Energy may expand the International Materials Protection, Control, and Accounting (MPC&A) program of the Department of Energy to encompass countries outside the Russian Federation and the independent states of the former Soviet Union.

(b) NOTICE TO CONGRESS OF USE OF FUNDS FOR ADDITIONAL COUNTRIES.—Not later than 30 days after the Secretary obligates funds for the International Materials Protection, Control, and Accounting program, as expanded under subsection (a), for activities in or with respect to a country outside the Russian Federation and the independent states of the former Soviet Union, the Secretary shall submit to Congress a notice of the obligation of such funds for such activities.

(c) ASSISTANCE TO DEPARTMENT OF STATE FOR NUCLEAR MATERIALS SECURITY PROGRAMS.—(1) As part of the International Materials Protection, Control, and Accounting program, the Secretary of Energy may provide technical assistance to the Secretary of State in the efforts of the Secretary of State to assist other nuclear weapons states to review and improve their nuclear materials security programs.

(2) The technical assistance provided under paragraph (1) may include the sharing of technology or methodologies to the states referred to in that paragraph. Any such sharing shall—

(A) be consistent with the treaty obligations of the United States; and

(B) take into account the sovereignty of the state concerned and its weapons programs, as well the sensitivity of any information involved regarding United States weapons or weapons systems.

(3) The Secretary of Energy may include the Russian Federation in activities under paragraph (1) if the Secretary determines that the experience of the Russian Federation under the International Materials Protection, Control, and Accounting program with the Russian Federation would make the participation of the Russian Federation in such activities useful in providing technical assistance under that paragraph.

(d) PLAN FOR ACCELERATED CONVERSION OR RETURN OF WEAPONS-USABLE NUCLEAR MATERIALS.—(1) The Secretary shall develop a plan to accelerate the conversion or return to the country of origin of all weapons-usable nuclear materials located in research reactors and other facilities outside the country of origin.

(2) The plan under paragraph (1) for nuclear materials of origin in the Soviet Union shall be developed in consultation with the Russian Federation.

(3) As part of the plan under paragraph (1), the Secretary shall identify the funding and schedules required to assist the research reactors and facilities referred to in that paragraph in upgrading their materials protection, control, and accounting procedures until the weapons-usable nuclear materials in such reactors and facilities are converted or returned in accordance with that paragraph.

(4) The provision of assistance under paragraph (3) shall be closely coordinated with ongoing efforts of the International Atomic Energy Agency for the same purpose.

(e) RADIOLOGICAL DISPERSAL DEVICE MATERIALS PROTECTION, CONTROL, AND ACCOUNTING.—(1) The Secretary shall establish within the International Materials Protection, Control, and Accounting program a program on the protection, control, and accounting of materials usable in radiological dispersal devices.

(2) The program under paragraph (1) shall include—

(A) an identification of vulnerabilities regarding radiological materials worldwide;

(B) the mitigation of vulnerabilities so identified through appropriate security enhancements; and

(C) an acceleration of efforts to recover and control diffused radiation sources and 'orphaned'' radiological sources that are of sufficient strength to represent a significant risk.

(3) The program under paragraph (1) shall be known as the Radiological Dispersal Device Materials Protection, Control, and Accounting program.

(f) STUDY OF PROGRAM TO SECURE CERTAIN RADIOLOGICAL MATERIALS.—(1) The Secretary, acting through the Administrator for Nuclear Security, shall require the Office of International Materials Protection, Control, and Accounting of the Department of Energy to conduct a study to determine the feasibility and advisability of developing a program to secure radiological materials outside the United States that pose a threat to the national security of the United States.

(2) The study under paragraph (1) shall include the following:

(A) An identification of the categories of radiological materials that are covered by that paragraph, including an order of priority for securing each category of such radiological materials.

(B) An estimate of the number of sites at which such radiological materials are present.

(C) An assessment of the effort required to secure such radiological materials at such sites, including—

(i) a description of the security upgrades, if any, that are required at such sites;

(ii) an assessment of the costs of securing such radiological materials at such sites;

(iii) a description of any cost-sharing arrangements to defray such costs;

(iv) a description of any legal impediments to such effort, including a description of means of overcoming such impediments; and

(v) a description of the coordination required for such effort among appropriate United States Government entities (including the Nuclear Regulatory Commission), participating countries, and international bodies (including the International Atomic Energy Agency).

(D) A description of the pilot project undertaken in Russia.

(3) In identifying categories of radiological materials under paragraph (2)(A), the Secretary shall take into account matters relating to specific activity, half-life, radiation type and energy, attainability, difficulty of handling, and toxicity, and such other matters as the Secretary considers appropriate.

(4) Not later than one year after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study conducted under this subsection. The report shall include the matters specified under paragraph (2) and such other matters, including recommendations, as the Secretary considers appropriate as a result of the study.

(5) In this subsection, the term ''radiological material'' means any radioactive material, other than plutonium (Pu) or uranium enriched above 20 percent uranium–235.

(g) AMENDMENT OF CONVENTION ON PHYSICAL PROTECTION OF NUCLEAR MATERIAL.—(1) It is the sense of Congress that the President should encourage amendment of the Convention on the Physical Protection of Nuclear Materials in order to provide that the Convention shall—

(A) apply to both the domestic and international use and transport of nuclear materials;

(B) incorporate fundamental practices for the physical protection of such materials; and

(C) address protection against sabotage involving nuclear materials.

(2) In this subsection, the term ''Convention on the Physical Protection of Nuclear Materials'' means the Convention on the Physical Protection of Nuclear Materials, With Annex, done at Vienna on October 26, 1979.

(h) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $5,000,000 shall be available for carrying out this section.

SEC. 3157. ACCELERATED DISPOSITION OF HIGHLY ENRICHED URANIUM AND PLUTONIUM.

(a) SENSE OF CONGRESS ON PROGRAM TO SECURE STOCKPILES OF HIGHLY ENRICHED URANIUM AND PLUTONIUM.—(1) It is the sense of Congress that the Secretary of Energy, in consultation with the Secretary of State and Secretary of Defense, should develop a comprehensive program of activities to encourage all countries with nuclear materials to adhere to, or to adopt standards equivalent to, the International Atomic Energy Agency standard on The Physical Protection of Nuclear Material and Nuclear Facilities (INFCIRC/225/Rev.4), relating to the security of stockpiles of highly enriched uranium (HEU) and plutonium (Pu).

(2) To the maximum extent practicable, the program should be developed in consultation with the Russian Federation, other Group of 8 countries, and other allies of the United States.

(3) Activities under the program should include specific, targeted incentives intended to encourage countries that cannot undertake the expense of conforming to the standard referred to in paragraph (1) to relinquish their highly enriched uranium (HEU) or plutonium (Pu), including incentives in which a country, group of countries, or international body—

(A) purchase such materials and provide for their security (including by removal to another location);

(B) undertake the costs of decommissioning facilities that house such materials;

(C) in the case of research reactors, convert such reactors to low-enriched uranium reactors; or

(D) upgrade the security of facilities that house such materials in order to meet stringent security standards that are established for purposes of the program based upon agreed best practices.

(b) PROGRAM ON ACCELERATED DISPOSITION OF HEU AUTHORIZED.—(1) The Secretary of Energy may carry out a program to pursue with the Russian Federation, and any other nation that possesses highly enriched uranium, options for blending such uranium so that the concentration of U–235 in such uranium is below 20 percent.

(2) The options pursued under paragraph (1) shall include expansion of the Material Consolidation and Conversion program of the Department of Energy to include—

(A) additional facilities for the blending of highly enriched uranium; and

(B) additional centralized secure storage facilities for highly enriched uranium designated for blending.

(c) INCENTIVES REGARDING HIGHLY ENRICHED URANIUM IN RUSSIA.—As part of the options pursued under subsection (b) with the Russian Federation, the Secretary may provide financial

and other incentives for the removal of all highly enriched uranium from any particular facility in the Russian Federation if the Secretary determines that such incentives will facilitate the consolidation of highly enriched uranium in the Russian Federation to the best-secured facilities.

(d) CONSTRUCTION WITH HEU DISPOSITION AGREEMENT.—Nothing in this section may be construed as terminating, modifying, or otherwise effecting requirements for the disposition of highly enriched uranium under the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Disposition of Highly Enriched Uranium Extracted from Nuclear Weapons, signed at Washington on February 18, 1993.

(e) PRIORITY IN BLENDING ACTIVITIES.—In pursuing options under this section, the Secretary shall give priority to the blending of highly enriched uranium from weapons, though highly enriched uranium from sources other than weapons may also be blended.

(f) TRANSFER OF HIGHLY ENRICHED URANIUM AND PLUTONIUM TO UNITED STATES.—(1) As part of the program under subsection (b), the Secretary may, upon the request of any nation—

(A) purchase highly enriched uranium or weapons grade plutonium from the nation at a price determined by the Secretary;

(B) transport any uranium or plutonium so purchased to the United States; and

(C) store any uranium or plutonium so transported in the United States.

(2) The Secretary is not required to blend any highly enriched uranium purchased under paragraph (1)(A) in order to reduce the concentration of U–235 in such uranium to below 20 percent. Amounts authorized to be appropriated by subsection (m) may not be used for purposes of blending such uranium.

(g) TRANSFER OF HIGHLY ENRICHED URANIUM TO RUSSIA.—(1) As part of the program under subsection (b), the Secretary may encourage nations with highly enriched uranium to transfer such uranium to the Russian Federation for disposition under this section.

(2) The Secretary may pay any nation that transfers highly enriched uranium to the Russian Federation under this subsection an amount determined appropriate by the Secretary.

(3) The Secretary may bear the cost of any blending and storage of uranium transferred to the Russian Federation under this subsection, including any costs of blending and storage under a contract under subsection (h). Any site selected for such storage shall have undergone complete materials protection, control, and accounting upgrades before the commencement of such storage.

(h) CONTRACTS FOR BLENDING AND STORAGE OF HIGHLY ENRICHED URANIUM IN RUSSIA.—(1) As part of the program under subsection (b), the Secretary may enter into one or more contracts with the Russian Federation—

(A) to blend in the Russian Federation highly enriched uranium of the Russian Federation and highly enriched uranium transferred to the Russian Federation under subsection (g); or

(B) to store in the Russian Federation highly enriched uranium before blending or the blended material.

(2) Any site selected for the storage of uranium or blended material under paragraph (1)(B) shall have undergone complete materials protection, control, and accounting upgrades before the commencement of such storage.

(i) LIMITATION ON RELEASE FOR SALE OF BLENDED URANIUM.—Uranium blended under this section may not be released for sale until the earlier of—

(1) January 1, 2014; or

(2) the date on which the Secretary certifies that such uranium can be absorbed into the global market without undue disruption to the uranium mining industry in the United States.

(j) PROCEEDS OF SALE OF URANIUM BLENDED BY RUSSIA.—Upon the sale by the Russian Federation of uranium blended under this section by the Russian Federation, the Secretary may elect to receive from the proceeds of such sale an amount not to exceed 75 percent of the costs incurred by the Department of Energy under subsections (c), (g), and (h).

(k) REPORT ON STATUS OF PROGRAM.—Not later than July 1, 2003, the Secretary shall submit to Congress a report on the status of the program carried out under the authority in subsection (b). The report shall include—

(1) a description of international interest in the program;

(2) schedules and operational details of the program; and

(3) recommendations for future funding for the program.

(l) HIGHLY ENRICHED URANIUM DEFINED.—In this section, the term ''highly enriched uranium'' means uranium with a concentration of U–235 of 20 percent or more.

(m) AMOUNT FOR ACTIVITIES.—Of the amount to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $40,000,000 shall be available for carrying out this section.

SEC. 3158. DISPOSITION OF PLUTONIUM IN RUSSIA.

(a) NEGOTIATIONS WITH RUSSIAN FEDERATION.—(1) The Secretary of Energy is encouraged to continue to support the Secretary of State in negotiations with the Ministry of Atomic Energy of the Russian Federation to finalize the plutonium disposition program of the Russian Federation (as established under the agreement described in subsection (b)).

(2) As part of the negotiations, the Secretary of Energy may consider providing additional funds to the Ministry of Atomic Energy in order to reach a successful agreement.

(3) If such an agreement, meeting the requirements in subsection (c), is reached with the Ministry of Atomic Energy, which requires additional funds for the Russian work, the Secretary shall either seek authority to use funds available for another purpose, or request supplemental appropriations, for such work.

(b) AGREEMENT.—The agreement referred to in subsection (a) is the Agreement Between the Government of the United States of America and the Government of the Russian Federation Concerning the Management and Disposition of Plutonium Designated As No Longer Required For Defense Purposes and Related Cooperation, signed August 29, 2000, and September 1, 2000.

(c) REQUIREMENT FOR DISPOSITION PROGRAM.— The plutonium disposition program under subsection (a)—

(1) shall include transparent verifiable steps;

(2) shall proceed at a rate approximately equivalent to the rate of the United States program for the disposition of plutonium;

(3) shall provide for cost-sharing among a variety of countries;

(4) shall provide for contributions by the Russian Federation;

(5) shall include steps over the near term to provide high confidence that the schedules for the disposition of plutonium of the Russian Federation will be achieved; and

(6) may include research on more speculative long-term options for the future disposition of the plutonium of the Russian Federation in addition to the near-term steps under paragraph (5).

SEC. 3159. STRENGTHENED INTERNATIONAL SECURITY FOR NUCLEAR MATERIALS AND SAFETY AND SECURITY OF NUCLEAR OPERATIONS.

(a) REPORT ON OPTIONS FOR INTERNATIONAL PROGRAM TO STRENGTHEN SECURITY AND SAFETY.—(1) Not later than 270 days after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report on options for an international program to develop strengthened security for all nuclear materials and safety and security for current nuclear operations.

(2) The Secretary shall consult with the Office of Nuclear Energy Science and Technology of the Department of Energy in the development of options for purposes of the report.

(3) In evaluating options for purposes of the report, the Secretary shall consult with the Nuclear Regulatory Commission and the International Atomic Energy Agency on the feasibility and advisability of actions to reduce the risks associated with terrorist attacks on nuclear power plants outside the United States.

(4) Each option for an international program under paragraph (1) may provide that the program is jointly led by the United States, the Russian Federation, and the International Atomic Energy Agency.

(5) The Secretary shall include with the report on options for an international program under paragraph (1) a description and assessment of various management alternatives for the international program. If any option requires Federal funding or legislation to implement, the report shall also include recommendations for such funding or legislation, as the case may be.

(b) JOINT PROGRAMS WITH RUSSIA ON PROLIFERATION RESISTANT NUCLEAR ENERGY TECHNOLOGIES.—The Director of the Office of Nuclear Energy Science and Technology Energy shall, in coordination with the Secretary, pursue with the Ministry of Atomic Energy of the Russian Federation joint programs between the United States and the Russian Federation on the development of proliferation resistant nuclear energy technologies, including advanced fuel cycles.

(c) PARTICIPATION OF INTERNATIONAL TECHNICAL EXPERTS.—In developing options under subsection (a), the Secretary shall, in consultation with the Nuclear Regulatory Commission, the Russian Federation, and the International Atomic Energy Agency, convene and consult with an appropriate group of international technical experts on the development of various options for technologies to provide strengthened security for nuclear materials and safety and security for current nuclear operations, including the implementation of such options.

(d) ASSISTANCE REGARDING HOSTILE INSIDERS AND AIRCRAFT IMPACTS.—(1) The Secretary may, utilizing appropriate expertise of the Department of Energy and the Nuclear Regulatory Commission, provide assistance to nuclear facilities abroad on the interdiction of hostile insiders at such facilities in order to prevent incidents arising from the disablement of the vital systems of such facilities.

(2) The Secretary may carry out a joint program with the Russian Federation and other countries to address and mitigate concerns on the impact of aircraft with nuclear facilities in such countries.

(e) ASSISTANCE TO IAEA IN STRENGTHENING INTERNATIONAL NUCLEAR SAFETY AND SECURITY.—The Secretary may expand and accelerate the programs of the Department of Energy to support the International Atomic Energy Agency in strengthening international nuclear safety and security.

(f) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $35,000,000 shall be available for carrying out this section as follows:

(1) For activities under subsections (a) through (d), $20,000,000, of which—

(A) $5,000,000 shall be available for sabotage protection for nuclear power plants and other nuclear facilities abroad; and

(B) $10,000,000 shall be available for development of proliferation resistant nuclear energy technologies under subsection (b).

(2) For activities under subsection (e), $15,000,000.

SEC. 3160. EXPORT CONTROL PROGRAMS.

(a) AUTHORITY TO PURSUE OPTIONS FOR STRENGTHENING EXPORT CONTROL PROGRAMS.—

The Secretary of Energy may pursue in the former Soviet Union and other regions of concern, principally in South Asia, the Middle East, and the Far East, options for accelerating programs that assist countries in such regions in improving their domestic export control programs for materials, technologies, and expertise relevant to the construction or use of a nuclear or radiological dispersal device.

(b) AMOUNT FOR ACTIVITIES.—Of the amount authorized to be appropriated by section 3102(2) for the Department of Energy for the National Nuclear Security Administration for defense nuclear nonproliferation, up to $5,000,000 shall be available for carrying out this section.

SEC. 3161. IMPROVEMENTS TO NUCLEAR MATERIALS PROTECTION, CONTROL, AND ACCOUNTING PROGRAM OF THE RUSSIAN FEDERATION.

(a) REVISED FOCUS FOR PROGRAM.—(1) The Secretary of Energy shall work cooperatively with the Russian Federation to update and improve the Joint Action Plan for the Materials Protection, Control, and Accounting programs of the Department and the Russian Federation Ministry of Atomic Energy.

(2) The updated plan shall shift the focus of the upgrades of the nuclear materials protection, control, and accounting program of the Russian Federation in order to assist the Russian Federation in achieving, as soon as practicable but not later than January 1, 2012, a sustainable nuclear materials protection, control, and accounting system for the nuclear materials of the Russian Federation that is supported solely by the Russian Federation.

(b) PACE OF PROGRAM.—The Secretary shall work with the Russian Federation, including applicable institutes in Russia, to pursue acceleration of the nuclear materials protection, control, and accounting programs at nuclear defense facilities in the Russian Federation.

(c) TRANSPARENCY OF PROGRAM.—The Secretary shall work with the Russian Federation to identify various alternatives to provide the United States adequate transparency in the nuclear materials protection, control, and accounting program of the Russian Federation to assure that such program is meeting applicable goals for nuclear materials protection, control, and accounting.

(d) SENSE OF CONGRESS.—In furtherance of the activities required under this section, it is the sense of Congress the Secretary should—

(1) enhance the partnership with the Russian Ministry of Atomic Energy in order to increase the pace and effectiveness of nuclear materials accounting and security activities at facilities in the Russian Federation, including serial production enterprises; and

(2) clearly identify the assistance required by the Russian Federation, the contributions anticipated from the Russian Federation, and the transparency milestones that can be used to assess progress in meeting the requirements of this section.

SEC. 3162. COMPREHENSIVE ANNUAL REPORT TO CONGRESS ON COORDINATION AND INTEGRATION OF ALL UNITED STATES NONPROLIFERATION ACTIVITIES.

Section 1205 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1247) is amended by adding at the end the following new subsection:

''(d) ANNUAL REPORT ON IMPLEMENTATION OF PLAN.—(1) Not later than January 31, 2003, and each year thereafter, the President shall submit to Congress a report on the implementation of the plan required by subsection (a) during the preceding year.

''(2) Each report under paragraph (1) shall include—

''(A) a discussion of progress made during the year covered by such report in the matters of the plan required by subsection (a);

''(B) a discussion of consultations with foreign nations, and in particular the Russian Federation, during such year on joint programs to implement the plan;

''(C) a discussion of cooperation, coordination, and integration during such year in the implementation of the plan among the various departments and agencies of the United States Government, as well as private entities that share objectives similar to the objectives of the plan; and

''(D) any recommendations that the President considers appropriate regarding modifications to law or regulations, or to the administration or organization of any Federal department or agency, in order to improve the effectiveness of any programs carried out during such year in the implementation of the plan.''.

SEC. 3163. UTILIZATION OF DEPARTMENT OF ENERGY NATIONAL LABORATORIES AND SITES IN SUPPORT OF COUNTERTERRORISM AND HOMELAND SECURITY ACTIVITIES.

(a) AGENCIES AS JOINT SPONSORS OF LABORATORIES FOR WORK ON ACTIVITIES.—Each department or agency of the Federal Government, or of a State or local government, that carries out work on counterterrorism and homeland security activities at a Department of Energy national laboratory may be a joint sponsor, under a multiple agency sponsorship arrangement with the Department, of such laboratory in the performance of such work.

(b) AGENCIES AS JOINT SPONSORS OF SITES FOR WORK ON ACTIVITIES.—Each department or agency of the Federal Government, or of a State or local government, that carries out work on counterterrorism and homeland security activities at a Department of Energy site may be a joint sponsor of such site in the performance of such work as if such site were a federally funded research and development center and such work were performed under a multiple agency sponsorship arrangement with the Department.

(c) PRIMARY SPONSORSHIP.—The Department of Energy shall be the primary sponsor under a multiple agency sponsorship arrangement required under subsection (a) or (b).

(d) WORK.—(1) The Administrator for Nuclear Security shall act as the lead agent in coordinating the formation and performance of a joint sponsorship agreement between a requesting agency and a Department of Energy national laboratory or site for work on counterterrorism and homeland security.

(2) A request for work may not be submitted to a national laboratory or site under this section unless approved in advance by the Administrator.

(3) Any work performed by a national laboratory or site under this section shall comply with the policy on the use of federally funded research and development centers under section 35.017(a)(4) of the Federal Acquisition Regulation.

(4) The Administrator shall ensure that the work of a national laboratory or site requested under this section is performed expeditiously and to the satisfaction of the head of the department or agency submitting the request.

(e) FUNDING.—(1) Subject to paragraph (2), a joint sponsor of a Department of Energy national laboratory or site under this section shall provide funds for work of such national laboratory or site, as the case may be, under this section under the same terms and conditions as apply to the primary sponsor of such national laboratory under section 303(b)(1)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(b)(1)(C)) or of such site to the extent such section applies to such site as a federally funded research and development center by reason of subsection (b).

(2) The total amount of funds provided a national laboratory or site in a fiscal year under this subsection by joint sponsors other than the Department of Energy shall not exceed an amount equal to 25 percent of the total funds provided such national laboratory or site, as the case may be, in such fiscal year from all sources.

Subtitle E—Other Matters

SEC. 3171. INDEMNIFICATION OF DEPARTMENT OF ENERGY CONTRACTORS.

Section 170d.(1)(A) of the Atomic Energy Act of 1954 (42 U.S.C. 2210(d)(1)(A)) is amended by striking ''until August 1, 2002,'' and inserting ''until August 1, 2012''.

SEC. 3172. WORKER HEALTH AND SAFETY RULES FOR DEPARTMENT OF ENERGY FACILITIES.

The Atomic Energy Act of 1954 is amended by inserting after section 234B (42 U.S.C. 2282b) the following:

''SEC. 234C. WORKER HEALTH AND SAFETY RULES FOR DEPARTMENT OF ENERGY NUCLEAR FACILITIES.

''(a) PERSONS SUBJECT TO PENALTY.—

''(1) CIVIL PENALTY.—

''(A) IN GENERAL.—A person (or any subcontractor or supplier of the person) who has entered into an agreement of indemnification under section 2210(d) (or any subcontractor or supplier of the person) that violates (or is the employer of a person that violates) Department of Energy Order No. 440.1A (1998), or any rule or regulation relating to industrial or construction health and safety promulgated by the Secretary of Energy (referred to in this section as the ''Secretary'') after public notice and opportunity for comment under section 553 of title 5, United States Code (commonly known as the 'Administrative Procedure Act'), shall be subject to a civil penalty of not more than $100,000 for each such violation.

''(B) CONTINUING VIOLATIONS.—If any violation under this subsection is a continuing violation, each day of the violation shall constitute a separate violation for the purpose of computing the civil penalty under subparagraph (A).

''(2) REGULATIONS.—

''(A) IN GENERAL.—Not later than 270 days after the date of enactment of this section, the Secretary shall promulgate regulations for industrial and construction health and safety that incorporate the provisions and requirements contained in Department of Energy Order No. 440.1A (1998).

''(B) EFFECTIVE DATE.—The regulations promulgated under subparagraph (A) shall take effect on the date that is 1 year after the promulgation date of the regulations.

''(3) VARIANCES OR EXEMPTIONS.—

''(A) IN GENERAL.—The Secretary may provide in the regulations promulgated under paragraph (2) a procedure for granting variances or exemptions to the extent necessary to avoid serious impairment of the national security of the United States.

''(B) DETERMINATION.—In determining whether to provide a variance or exemption under subparagraph (A), the Secretary of Energy shall assess—

''(i) the impact on national security of not providing a variance or exemption; and

''(ii) the benefits or detriments to worker health and safety of providing a variance or exemption.

''(C) PROCEDURE.—Before granting a variance or exemption, the Secretary of Energy shall—

''(i) notify affected employees;

''(ii) provide an opportunity for a hearing on the record; and

''(iii) notify Congress of any determination to grant a variance at least 60 days before the proposed effective date of the variance or exemption.

''(4) APPLICABILITY.—This subsection does not apply to any facility that is a component of, or any activity conducted under, the Naval Nuclear Propulsion Program.

''(5) ENFORCEMENT GUIDANCE ON STRUCTURES TO BE DISPOSED OF.—

''(A) IN GENERAL.—In enforcing the regulations under paragraph (2), the Secretary of Energy shall, on a case-by-case basis, evaluate whether a building, facility, structure, or improvement of the Department of Energy that is

permanently closed and that is expected to be demolished, or title to which is expected to be transferred to another entity for reuse, should undergo major retrofitting to comply with specific general industry standards.

''(B) NO EFFECT ON HEALTH AND SAFETY ENFORCEMENT.—This subsection does not diminish or otherwise affect—

''(i) the enforcement of any worker health and safety regulations under this section with respect to the surveillance and maintenance or decontamination, decommissioning, or demolition of buildings, facilities, structures, or improvements; or

''(ii) the application of any other law (including regulations), order, or contractual obligation.

''(b) CONTRACT PENALTIES.—

''(1) IN GENERAL.—The Secretary shall include in each contract with a contractor of the Department provisions that provide an appropriate reduction in the fees or amounts paid to the contractor under the contract in the event of a violation by the contractor or contractor employee of any regulation or order relating to industrial or construction health and safety.

''(2) CONTENTS.—The provisions shall specify various degrees of violations and the amount of the reduction attributable to each degree of violation.

''(c) POWERS AND LIMITATIONS.—The powers and limitations applicable to the assessment of civil penalties under section 234A, except for subsection (d) of that section, shall apply to the assessment of civil penalties under this section.

''(d) TOTAL AMOUNT OF PENALTIES.—In the case of an entity described in subsection (d) of section 234A, the total amount of civil penalties under subsection (a) or under subsection (a) of section 234B in a fiscal year may not exceed the total amount of fees paid by the Department of Energy to that entity in that fiscal year.''.

SEC. 3173. ONE-YEAR EXTENSION OF AUTHORITY OF DEPARTMENT OF ENERGY TO PAY VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 3161(a) of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65; 5 U.S.C. 5597 note) is amended by striking ''January 1, 2004'' and inserting ''January 1, 2005''.

(b) CONSTRUCTION.—The amendment made by subsection (a) may be superseded by another provision of law that takes effect after the date of the enactment of this Act, and before January 1, 2004, establishing a uniform system for providing voluntary separation incentives (including a system for requiring approval of plans by the Office of Management and Budget) for employees of the Federal Government.

SEC. 3174. SUPPORT FOR PUBLIC EDUCATION IN THE VICINITY OF LOS ALAMOS NATIONAL LABORATORY, NEW MEXICO.

(a) SUPPORT FOR FISCAL YEAR 2003.—From amounts authorized to be appropriated to the Secretary of Energy by this title, $6,900,000 shall be available for payment by the Secretary for fiscal year 2003 to the Los Alamos National Laboratory Foundation, a not-for-profit foundation chartered in accordance with section 3167(a) of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 111 Stat. 2052).

(b) USE OF FUNDS.—The foundation referred to in subsection (a) shall—

(1) utilize funds provided under this section as a contribution to the endowment fund for the foundation; and

(2) use the income generated from investments in the endowment fund that are attributable to the payment made under this section to fund programs to support the educational needs of children in the public schools in the vicinity of Los Alamos National Laboratory, New Mexico.

(c) REPEAL OF SUPERSEDED AUTHORITY AND MODIFICATION OF AUTHORITY TO EXTEND CONTRACT.—(1) Subsection (b) of section 3136 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1368) is amended to read as follows:

''(b) SUPPORT FOR FISCAL YEARS 2003 THROUGH 2013.—Subject to the availability of appropriations, the Secretary may provide for a contract extension through fiscal year 2013 similar to the contract extension referred to in subsection (a)(2).''.

(2) The amendment made by paragraph (1) shall take effect on October 1, 2002.

Subtitle F—Disposition of Weapons-Usable Plutonium at Savannah River, South Carolina

SEC. 3181. FINDINGS.

Congress makes the following findings:

(1) In September 2000, the United States and the Russian Federation signed a Plutonium Management and Disposition Agreement by which each agreed to dispose of 34 metric tons of weapons-grade plutonium.

(2) The agreement with Russia is a significant step toward safeguarding nuclear materials and preventing their diversion to rogue states and terrorists.

(3) The Department of Energy plans to dispose of 34 metric tons of weapons-grade plutonium in the United States before the end of 2019 by converting the plutonium to a mixed-oxide fuel to be used in commercial nuclear power reactors.

(4) The Department has formulated a plan for implementing the agreement with Russia through construction of a mixed-oxide fuel fabrication facility, the so-called MOX facility, and a pit disassembly and conversion facility at the Savannah River Site, Aiken, South Carolina.

(5) The United States and the State of South Carolina have a compelling interest in the safe, proper, and efficient operation of the plutonium disposition facilities at the Savannah River Site. The MOX facility will also be economically beneficial to the State of South Carolina, and that economic benefit will not be fully realized unless the MOX facility is built.

(6) The State of South Carolina desires to ensure that all plutonium transferred to the State of South Carolina is stored safely; that the full benefits of the MOX facility are realized as soon as possible; and, specifically, that all defense plutonium or defense plutonium materials transferred to the Savannah River Site either be processed or be removed expeditiously.

SEC. 3182. DISPOSITION OF WEAPONS-USABLE PLUTONIUM AT SAVANNAH RIVER SITE.

(a) PLAN FOR CONSTRUCTION AND OPERATION OF MOX FACILITY.—(1) Not later than February 1, 2003, the Secretary of Energy shall submit to Congress a plan for the construction and operation of the MOX facility at the Savannah River Site, Aiken, South Carolina.

(2) The plan under paragraph (1) shall include—

(A) a schedule for construction and operations so as to achieve, as of January 1, 2009, and thereafter, the MOX production objective, and to produce 1 metric ton of mixed oxide fuel by December 31, 2009; and

(B) a schedule of operations of the MOX facility designed so that 34 metric tons of defense plutonium and defense plutonium materials at the Savannah River Site will be processed into mixed oxide fuel by January 1, 2019.

(3)(A) Not later than February 15 each year, beginning in 2004 and continuing for as long as the MOX facility is in use, the Secretary shall submit to Congress a report on the implementation of the plan required by paragraph (1).

(B) Each report under subparagraph (A) for years before 2010 shall include—

(i) an assessment of compliance with the schedules included with the plan under paragraph (2); and

(ii) a certification by the Secretary whether or not the MOX production objective can be met by January 2009.

(C) Each report under subparagraph (A) for years after 2009 shall—

(i) address whether the MOX production objective has been met; and

(ii) assess progress toward meeting the obligations of the United States under the Plutonium Management and Disposition Agreement.

(D) For years after 2017, each report under subparagraph (A) shall also include an assessment of compliance with the MOX production objective and, if not in compliance, the plan of the Secretary for achieving one of the following:

(i) Compliance with such objective.

(ii) Removal of all remaining defense plutonium and defense plutonium materials from the State of South Carolina.

(b) CORRECTIVE ACTIONS.—(1) If a report under subsection (a)(3) indicates that construction or operation of the MOX facility is behind the applicable schedule under subsection (a)(2) by 12 months or more, the Secretary shall submit to Congress, not later than August 15 of the year in which such report is submitted, a plan for corrective actions to be implemented by the Secretary to ensure that the MOX facility project is capable of meeting the MOX production objective by January 1, 2009.

(2) If a plan is submitted under paragraph (1) in any year after 2008, the plan shall include corrective actions to be implemented by the Secretary to ensure that the MOX production objective is met.

(3) Any plan for corrective actions under paragraph (1) or (2) shall include established milestones under such plan for achieving compliance with the MOX production objective.

(4) If, before January 1, 2009, the Secretary determines that there is a substantial and material risk that the MOX production objective will not be achieved by 2009 because of a failure to achieve milestones set forth in the most recent corrective action plan under this subsection, the Secretary shall suspend further transfers of defense plutonium and defense plutonium materials to be processed by the MOX facility until such risk is addressed and the Secretary certifies that the MOX production objective can be met by 2009.

(5) If, after January 1, 2009, the Secretary determines that the MOX production objective has not been achieved because of a failure to achieve milestones set forth in the most recent corrective action plan under this subsection, the Secretary shall suspend further transfers of defense plutonium and defense plutonium materials to be processed by the MOX facility until the Secretary certifies that the MOX production objective can be met by 2009.

(6)(A) Upon making a determination under paragraph (4) or (5), the Secretary shall submit to Congress a report on the options for removing from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the State of South Carolina after April 15, 2002.

(B) Each report under subparagraph (A) shall include an analysis of each option set forth in the report, including the cost and schedule for implementation of such option, and any requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) relating to consideration or selection of such option.

(C) Upon submittal of a report under paragraph (A), the Secretary shall commence any analysis that may be required under the National Environmental Policy Act of 1969 in order to select among the options set forth in the report.

(c) CONTINGENT REQUIREMENT FOR REMOVAL OF PLUTONIUM AND MATERIALS FROM SAVANNAH RIVER SITE.—If the MOX production objective is not achieved as of January 1, 2009, the Secretary shall, consistent with the National Environmental Policy Act of 1969 and other applicable laws, remove from the State of South Carolina, for storage or disposal elsewhere—

(1) not later than January 1, 2011, not less than 1 metric ton of defense plutonium or defense plutonium materials; and

(2) not later than January 1, 2017, an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site between April 15, 2002 and January 1, 2017, but not processed by the MOX facility.

(d) ECONOMIC AND IMPACT ASSISTANCE.—(1) If the MOX production objective is not achieved as of January 1, 2011, the Secretary shall pay to the State of South Carolina each year beginning on or after that date through 2016 for economic and impact assistance an amount equal to $1,000,000 per day until the later of—

(A) the passage of 100 days in such year;

(B) the MOX production objective is achieved in such year; or

(C) the Secretary has removed from the State of South Carolina in such year at least 1 metric ton of defense plutonium or defense plutonium materials.

(2)(A) If the MOX production objective is not achieved as of January 1, 2017, the Secretary shall pay to the State of South Carolina each year beginning on or after that date through 2024 for economic and impact assistance an amount equal to $1,000,000 per day until the later of—

(i) the passage of 100 days in such year;

(ii) the MOX production objective is achieved in such year; or

(iii) the Secretary has removed from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site between April 15, 2002 and January 1, 2017, but not processed by the MOX facility.

(B) Nothing in this paragraph may be construed to terminate, supersede, or otherwise affect any other requirements of this section.

(3) The Secretary shall make payments, if any, under this subsection, from amounts authorized to be appropriated to the Department of Energy.

(4) If the State of South Carolina obtains an injunction that prohibits the Department from taking any action necessary for the Department to meet any deadline specified by this subsection, that deadline shall be extended for a period of time equal to the period of time during which the injunction is in effect.

(e) FAILURE TO COMPLETE PLANNED DISPOSITION PROGRAM.—If on July 1 each year beginning in 2020 and continuing for as long as the MOX facility is in use, less than 34 metric tons of defense plutonium or defense plutonium materials have been processed by the MOX facility, the Secretary shall submit to Congress a plan for—

(1) completing the processing of 34 metric tons of defense plutonium and defense plutonium material by the MOX facility; or

(2) removing from the State of South Carolina an amount of defense plutonium or defense plutonium materials equal to the amount of defense plutonium or defense plutonium materials transferred to the Savannah River Site after April 15, 2002, but not processed by the MOX facility.

(f) REMOVAL OF MIXED-OXIDE FUEL UPON COMPLETION OF OPERATIONS OF MOX FACILITY.—If, one year after the date on which operation of the MOX facility permanently ceases any mixed-oxide fuel remains at the Savannah River Site, the Secretary shall submit to Congress—

(1) a report on when such fuel will be transferred for use in commercial nuclear reactors; or

(2) a plan for removing such fuel from the State of South Carolina.

(g) DEFINITIONS.—In this section:

(1) MOX PRODUCTION OBJECTIVE.—The term ''MOX production objective'' means production at the MOX facility of mixed-oxide fuel from defense plutonium and defense plutonium materials at an average rate equivalent to not less than one metric ton of mixed-oxide fuel per year. The average rate shall be determined by measuring production at the MOX facility from the date the facility is declared operational to the Nuclear Regulatory Commission through the date of assessment.

(2) MOX FACILITY.—The term ''MOX facility'' means the mixed-oxide fuel fabrication facility at the Savannah River Site, Aiken, South Carolina.

(3) DEFENSE PLUTONIUM; DEFENSE PLUTONIUM MATERIALS.—The terms ''defense-plutonium'' and ''defense plutonium materials'' mean weapons-usable plutonium.

SEC. 3183. STUDY OF FACILITIES FOR STORAGE OF PLUTONIUM AND PLUTONIUM MATERIALS AT SAVANNAH RIVER SITE.

(a) STUDY.—The Defense Nuclear Facilities Safety Board shall conduct a study of the adequacy of K-Area Materials Storage facility (KAMS), and related support facilities such as Building 235–F, at the Savannah River Site, Aiken, South Carolina, for the storage of defense plutonium and defense plutonium materials in connection with the disposition program provided in section 3182 and in connection with the amended Record of Decision of the Department of Energy for fissile materials disposition.

(b) REPORT.—Not later than one year after the date of enactment of this Act, the Defense Nuclear Facilities Safety Board shall submit to Congress and the Secretary of Energy a report on the study conducted under subsection (a).

(c) REPORT ELEMENTS.—The report under subsection (b) shall—

(1) address—

(A) the suitability of KAMS and related support facilities for monitoring and observing any defense plutonium or defense plutonium materials stored in KAMS;

(B) the adequacy of the provisions made by the Department for remote monitoring of such defense plutonium and defense plutonium materials by way of sensors and for handling of retrieval of such defense plutonium and defense plutonium materials; and

(C) the adequacy of KAMS should such defense plutonium and defense plutonium materials continue to be stored at KAMS after 2019; and

(2) include such recommendations as the Defense Nuclear Facilities Safety Board considers appropriate to enhance the safety, reliability, and functionality of KAMS.

(d) REPORTS ON ACTIONS ON RECOMMENDATIONS.—Not later than 6 months after the date on which the report under subsection (b) is submitted to Congress, and every year thereafter, the Secretary and the Board shall each submit to Congress a report on the actions taken by the Secretary in response to the recommendations, if any, included in the report.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2003, $19,494,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

SEC. 3202. AUTHORIZATION OF APPROPRIATIONS FOR THE FORMERLY USED SITES REMEDIAL ACTION PROGRAM OF THE CORPS OF ENGINEERS.

There is hereby authorized to be appropriated for fiscal year 2003 for the Department of the Army, $140,000,000 for the formerly used sites remedial action program of the Corps of Engineers.

House amendment to Senate amendment:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE; FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the ''Bob Stump National Defense Authorization Act for Fiscal Year 2003''.

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

(1) Representative Bob Stump of Arizona was elected to the House of Representatives in 1976 for service in the 95th Congress, after serving in the Arizona legislature for 18 years and serving as President of the Arizona State Senate from 1975 to 1976, and he has been reelected to each subsequent Congress.

(2) A World War II combat veteran, Representative Stump entered service in the United States Navy in 1943, just after his 16th birthday, and served aboard the USS LUNGA POINT and the USS TULAGI, which participated in the invasions of Luzon, Iwo Jima, and Okinawa.

(3) Representative Stump was elected to the Committee on Armed Services in 1978 and has served on nearly all of its subcommittees and panels during 25 years of distinguished service on the committee. He has served as chairman of the committee during the 107th Congress and has championed United States national security as the paramount function of the Federal Government.

(4) Also serving on the Committee on Veterans' Affairs of the House of Representatives, chairing that committee from 1995 to 2000, and serving on the Permanent Select Committee on Intelligence of the House of Representatives, including service as the ranking minority member in 1985 and 1986, Representative Stump has dedicated his entire congressional career to steadfastly supporting America's courageous men and women in uniform both on and off the battlefield.

(5) Representative Stump's tireless efforts on behalf of those in the military and veterans have been recognized with numerous awards for outstanding service from active duty and reserve military, veterans' service, military retiree, and industry organizations.

(6) During his tenure as chairman of the Committee on Armed Services of the House of Representatives, Representative Stump has—

(A) overseen the largest sustained increase to defense spending since the Reagan administration;

(B) led efforts to improve the quality of military life, including passage of the largest military pay raise since 1982;

(C) supported military retirees, including efforts to reverse concurrent receipt law and to save the Armed Forces Retirement Homes;

(D) championed military readiness by defending military access to critical training facilities such Vieques, Puerto Rico, expanding the National Training Center at Ft. Irwin, California, and working to restore balance between environmental concerns and military readiness requirements;

(E) reinvigorated efforts to defend America against ballistic missiles by supporting an increase in fiscal year 2002 of nearly 50 percent above the fiscal year 2001 level for missile defense programs; and

(F) honored America's war heroes by expanding Arlington National Cemetery, establishing a site for the Air Force Memorial, and assuring construction of the World War II Memorial.

(7) In recognition of his long record of accomplishments in enhancing the national security of the United States and his legislative victories on behalf of active duty service members, reservists, guardsmen, and veterans, it is altogether fitting and proper that this Act be named in honor of Representative Bob Stump of Arizona, as provided in subsection (a).

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Department of Energy National Security Authorizations and Other Authorizations.

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

Sec. 1. Short title; findings.
Sec. 2. Organization of Act into divisions; table of contents.
Sec. 3. Congressional defense committees defined.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

Sec. 101. Army.
Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense-wide activities.
Sec. 105. Defense Inspector General.
Sec. 106. Chemical demilitarization program.
Sec. 107. Defense health programs.

Subtitle B—Navy Programs

Sec. 111. Shipbuilding initiative.
Sec. 112. Prohibition on acquisition of Champion-class, T–5 fuel tankers.

Subtitle C—Air Force Programs

Sec. 121. Multiyear procurement authority for C–130J aircraft program.
Sec. 122. Reallocation of certain funds for Air Force Reserve Command F–16 aircraft procurement.

Subtitle D—Other Programs

Sec. 141. Revisions to multiyear contracting authority.
Sec. 142. Transfer of technology items and equipment in support of homeland security.
Sec. 143. Destruction of existing stockpile of lethal chemical agents and munitions.
Sec. 144. Report on unmanned aerial vehicle systems.
Sec. 145. Report on impact of Army Aviation Modernization Plan on the Army National Guard.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

Sec. 201. Authorization of appropriations.
Sec. 202. Amount for defense science and technology.

Subtitle B—Program Requirements, Restrictions, and Limitations

Sec. 211. RAH–66 Comanche aircraft program.
Sec. 212. Extension of requirement relating to management responsibility for naval mine countermeasures programs.
Sec. 213. Extension of authority to carry out pilot program for revitalizing the laboratories and test and evaluation centers of the Department of Defense.
Sec. 214. Revised requirements for plan for Manufacturing Technology Program.
Sec. 215. Technology Transition Initiative.
Sec. 216. Defense Acquisition Challenge Program.

Subtitle C—Ballistic Missile Defense

Sec. 231. Limitation on obligation of funds for procurement of Patriot (PAC–3) missiles pending submission of required certification.
Sec. 232. Responsibility of Missile Defense Agency for research, development, test, and evaluation related to system improvements of programs transferred to military departments.
Sec. 233. Amendments to reflect change in name of Ballistic Missile Defense Organization to Missile Defense Agency.

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

Sec. 301. Operation and maintenance funding.
Sec. 302. Working capital funds.
Sec. 303. Armed Forces Retirement Home.

Subtitle B—Environmental Provisions

Sec. 311. Incidental taking of migratory birds during military readiness activity.
Sec. 312. Military readiness and the conservation of protected species.
Sec. 313. Single point of contact for policy and budgeting issues regarding unexploded ordnance, discarded military munitions, and munitions constituents.

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

Sec. 321. Authority for each military department to provide base operating support to fisher houses.
Sec. 322. Use of commissary stores and MWR retail facilities by members of National Guard serving in national emergency.
Sec. 323. Uniform funding and management of morale, welfare, and recreation programs.

Subtitle D—Workplace and Depot Issues

Sec. 331. Notification requirements in connection with required studies for conversion of commercial or industrial type functions to contractor performance.
Sec. 332. Waiver authority regarding prohibition on contracts for performance of security-guard functions.
Sec. 333. Exclusion of certain expenditures from percentage limitation on contracting for performance of depot-level maintenance and repair workloads.
Sec. 334. Repeal of obsolete provision regarding depot-level maintenance and repair workloads that were performed at closed or realigned military installations.
Sec. 335. Clarification of required core logistics capabilities.

Subtitle E—Defense Dependents Education

Sec. 341. Assistance to local educational agencies that benefit dependents of members of the Armed Forces and Department of Defense civilian employees.
Sec. 342. Availability of quarters allowance for unaccompanied defense department teacher required to reside on overseas military installation.
Sec. 343. Provision of summer school programs for students who attend defense dependents' education system.

Subtitle F—Information Technology

Sec. 351. Authorized duration of base contract for Navy-Marine Corps Intranet.
Sec. 352. Annual submission of information on national security and information technology capital assets.
Sec. 353. Implementation of policy regarding certain commercial off-the-shelf information technology products.
Sec. 354. Installation and connection policy and procedures regarding Defense Switch Network.

Subtitle G—Other Matters

Sec. 361. Distribution of monthly reports on allocation of funds within operation and maintenance budget subactivities.
Sec. 362. Minimum deduction from pay of certain members of the Armed Forces to support Armed Forces Retirement Home.
Sec. 363. Condition on conversion of Defense Security Service to a working capital funded entity.
Sec. 364. Continuation of Arsenal support program initiative.
Sec. 365. Training range sustainment plan, Global Status of Resources and Training System, and training range inventory.
Sec. 366. Amendments to certain education and nutrition laws relating to acquisition and improvement of military housing.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

Sec. 401. End strengths for active forces.
Sec. 402. Revision in permanent end strength minimum levels.
Sec. 403. Authority for military department Secretaries to increase active-duty end strengths by up to 1 percent.
Sec. 404. General and flag officer management.
Sec. 405. Extension of certain authorities relating to management of numbers of general and flag officers in certain grades.

Subtitle B—Reserve Forces

Sec. 411. End strengths for Selected Reserve.
Sec. 412. End strengths for reserves on active duty in support of the Reserves.
Sec. 413. End strengths for military technicians (dual status).
Sec. 414. Fiscal year 2003 limitation on non-dual status technicians.

Subtitle C—Authorization of Appropriations

Sec. 421. Authorization of appropriations for military personnel.

TITLE V—MILITARY PERSONNEL POLICY

Subtitle A—General Personnel Management Authorities

Sec. 501. Increase in number of Deputy Commandants of the Marine Corps.
Sec. 502. Extension of good-of-the-service waiver authority for officers appointed to a Reserve Chief or Guard Director position.

Subtitle B—Reserve Component Management

Sec. 511. Reviews of National Guard strength accounting and management and other issues.
Sec. 512. Courts-martial for the National Guard when not in Federal service.
Sec. 513. Matching funds requirements under National Guard Youth Challenge Program.

Subtitle C—Reserve Component Officer Personnel Policy

Sec. 521. Exemption from active status strength limitation for reserve component general and flag officers serving on active duty in certain joint duty assignments designated by the Chairman of the Joint Chiefs of Staff.

Sec. 522. Eligibility for consideration for promotion to grade of major general for certain reserve component brigadier generals who do not otherwise qualify for consideration for promotion under the one-year rule.
Sec. 523. Retention of promotion eligibility for reserve component general and flag officers transferred to an inactive status.
Sec. 524. Authority for limited extension of medical deferment of mandatory retirement or separation for reserve officers.

Subtitle D—Education and Training

Sec. 531. Authority for phased increase to 4,400 in authorized strengths for the service academies.
Sec. 532. Enhancement of reserve component delayed training program.
Sec. 533. Preparation for, participation in, and conduct of athletic competitions by the National Guard and members of the National Guard.

Subtitle E—Decorations and Awards

Sec. 541. Waiver of time limitations for award of certain decorations to certain persons.
Sec. 542. Option to convert award of Armed Forces Expeditionary Medal awarded for Operation Frequent Wind to Vietnam Service Medal.

Subtitle F—Administrative Matters

Sec. 551. Staffing and funding for Defense Prisoner of War/Missing Personnel Office.
Sec. 552. Three-year freeze on reductions of personnel of agencies responsible for review and correction of military records.
Sec. 553. Department of Defense support for persons participating in military funeral honors details.
Sec. 554. Authority for use of volunteers as proctors for administration of Armed Services Vocational Aptitude Battery test.
Sec. 555. Annual report on status of female members of the Armed Forces.

Subtitle G—Benefits

Sec. 561. Voluntary leave sharing program for members of the Armed Forces.
Sec. 562. Enhanced flexibility in medical loan repayment program.
Sec. 563. Expansion of overseas tour extension benefits.
Sec. 564. Vehicle storage in lieu of transportation when member is ordered to a nonforeign duty station outside continental United States.

Subtitle H—Military Justice Matters

Sec. 571. Right of convicted accused to request sentencing by military judge.
Sec. 572. Report on desirability and feasibility of consolidating separate courses of basic instruction for judge advocates.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

Sec. 601. Increase in basic pay for fiscal year 2003.
Sec. 602. Expansion of basic allowance for housing low-cost or no-cost moves authority to members assigned to duty outside United States.

Subtitle B—Bonuses and Special and Incentive Pays

Sec. 611. One-year extension of certain bonus and special pay authorities for reserve forces.
Sec. 612. One-year extension of certain bonus and special pay authorities for certain health care professionals.
Sec. 613. One-year extension of special pay and bonus authorities for nuclear officers.
Sec. 614. One-year extension of other bonus and special pay authorities.
Sec. 615. Minimum levels of hardship duty pay for duty on the ground in Antarctica or on Arctic icepack.
Sec. 616. Increase in maximum rates for prior service enlistment bonus.
Sec. 617. Retention incentives for health care providers qualified in a critical military skill.

Subtitle C—Travel and Transportation Allowances

Sec. 631. Extension of leave travel deferral period for members performing consecutive overseas tours of duty.

Subtitle D—Retired Pay and Survivors Benefits

Sec. 641. Phase-in of full concurrent receipt of military retired pay and veterans disability compensation for military retirees with disabilities rated at 60 percent or higher.
Sec. 642. Change in service requirements for eligibility for retired pay for non-regular service.
Sec. 643. Elimination of possible inversion in retired pay cost-of-living adjustment for initial COLA computation.
Sec. 644. Technical revisions to so-called ''forgotten widows'' annuity program.

Subtitle E—Reserve Component Montgomery GI Bill

Sec. 651. Extension of Montgomery GI Bill-Selected Reserve eligibility period.

Subtitle F—Other Matters

Sec. 661. Addition of definition of continental United States in title 37.

TITLE VII—HEALTH CARE MATTERS

Subtitle A—Health Care Program Improvements

Sec. 701. Elimination of requirement for TRICARE preauthorization of inpatient mental health care for medicare-eligible beneficiaries.
Sec. 702. Expansion of TRICARE Prime Remote for certain dependents.
Sec. 703. Enabling dependents of certain members who died while on active duty to enroll in the TRICARE dental program.
Sec. 704. Improvements regarding the Department of Defense Medicare-Eligible Retiree Health Care Fund.
Sec. 705. Certification of institutional and non-institutional providers under the TRICARE program.
Sec. 706. Technical correction regarding transitional health care.

Subtitle B—Reports

Sec. 711. Comptroller General report on TRICARE claims processing.
Sec. 712. Comptroller General report on provision of care under the TRICARE program.
Sec. 713. Repeal of report requirement.

Subtitle C—Department of Defense-Department of Veterans Affairs Health Resources Sharing

Sec. 721. Short title.
Sec. 722. Findings and sense of Congress concerning status of health resources sharing between the Department of Veterans Affairs and the Department of Defense.
Sec. 723. Revised coordination and sharing guidelines.
Sec. 724. Health care resources sharing and coordination project.
Sec. 725. Joint review of coordination and sharing of health care and related services following domestic acts of terrorism or domestic use of weapons of mass destruction.
Sec. 726. Adoption by Department of Veterans Affairs of Department of Defense Pharmacy Data Transaction System.
Sec. 727. Joint pilot program for providing graduate medical education and training for physicians.
Sec. 728. Repeal of certain limits on Department of Veterans Affairs resources.
Sec. 729. Reports.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

Sec. 801. Plan for acquisition management professional exchange pilot program.
Sec. 802. Evaluation of training, knowledge, and resources regarding negotiation of intellectual property arrangements.
Sec. 803. Limitation period for task and delivery order contracts.
Sec. 804. One-year extension of program applying simplified procedures to certain commercial items; report.
Sec. 805. Authority to make inflation adjustments to simplified acquisition threshold.
Sec. 806. Improvement of personnel management policies and procedures applicable to the civilian acquisition workforce.
Sec. 807. Modification of scope of ball and roller bearings covered for purposes of procurement limitation.
Sec. 808. Rapid acquisition and deployment procedures.
Sec. 809. Quick-reaction special projects acquisition team.
Sec. 810. Report on development of anti-cyberterrorism technology.
Sec. 811. Contracting with Federal Prison Industries.
Sec. 812. Renewal of certain procurement technical assistance cooperative agreements at funding levels at least sufficient to support existing programs.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

Sec. 901. Change in title of Secretary of the Navy to Secretary of the Navy and Marine Corps.
Sec. 902. Report on implementation of United States Northern Command.
Sec. 903. National defense mission of Coast Guard to be included in future Quadrennial Defense Reviews.
Sec. 904. Change in year for submission of Quadrennial Defense Review.
Sec. 905. Report on effect of noncombat operations on combat readiness of the Armed Forces.

Sec. 906. Conforming amendment to reflect disestablishment of Department of Defense Consequence Management Program Integration Office.
Sec. 907. Authority to accept gifts for National Defense University.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

Sec. 1001. Transfer authority.
Sec. 1002. Authorization of supplemental appropriations for fiscal year 2002.
Sec. 1003. Uniform standards throughout Department of Defense for exposure of personnel to pecuniary liability for loss of Government property.
Sec. 1004. Accountable officials in the Department of Defense.
Sec. 1005. Improvements in purchase card management.
Sec. 1006. Authority to transfer funds within a major acquisition program from procurement to RDT&E.
Sec. 1007. Development and procurement of financial and nonfinancial management systems.

Subtitle B—Reports

Sec. 1011. After-action reports on the conduct of military operations conducted as part of Operation Enduring Freedom.
Sec. 1012. Report on biological weapons defense and counter-proliferation.
Sec. 1013. Requirement that Department of Defense reports to Congress be accompanied by electronic version.
Sec. 1014. Strategic force structure plan for nuclear weapons and delivery systems.
Sec. 1015. Report on establishment of a joint national training complex and joint opposing forces.
Sec. 1016. Repeal of various reports required of the Department of Defense.
Sec. 1017. Report on the role of the Department of Defense in supporting homeland security.
Sec. 1018. Study of short-term and long-term effects of nuclear earth penetrator weapon.
Sec. 1019. Study of short-term and long-term effects of nuclear-tipped ballistic missile interceptor.
Sec. 1021. Sense of Congress on maintenance of a reliable, flexible, and robust strategic deterrent.

Subtitle C—Other Matters

Sec. 1021. Sense of Congress on maintenance of a reliable, flexible, and robust strategic deterrent.
Sec. 1022. Time for transmittal of annual defense authorization legislative proposal.
Sec. 1023. Technical and clerical amendments.
Sec. 1024. War risk insurance for vessels in support of NATO-approved operations.
Sec. 1025. Conveyance, Navy drydock, Portland, Oregon.
Sec. 1026. Additional Weapons of Mass Destruction Civil Support Teams.
Sec. 1027. Use for law enforcement purposes of DNA samples maintained by Department of Defense for identification of human remains.
Sec. 1028. Sense of Congress concerning aircraft carrier force structure.
Sec. 1029. Enhanced authority to obtain foreign language services during periods of emergency.
Sec. 1030. Surface combatant industrial base.
Sec. 1031. Enhanced cooperation between United States and Russian Federation to promote mutual security.
Sec. 1032. Transfer of funds to increase amounts for PAC–3 missile procurement and Israeli Arrow Program.
Sec. 1033. Assignment of members to assist Immigration and Naturalization Service and Customs Service.
Sec. 1034. Sense of Congress on prohibition of use of funds for International Criminal Court.

TITLE XI—CIVILIAN PERSONNEL MATTERS

Sec. 1101. Eligibility of Department of Defense nonappropriated fund employees for long-term care insurance.
Sec. 1102. Extension of Department of Defense authority to make lump-sum severance payments.
Sec. 1103. Common occupational and health standards for differential payments as a consequence of exposure to asbestos.
Sec. 1104. Continuation of Federal Employee Health Benefits program eligibility.
Sec. 1105. Triennial full-scale Federal wage system wage surveys.
Sec. 1106. Certification for Department of Defense professional accounting positions.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

Sec. 1201. Support of United Nations-sponsored efforts to inspect and monitor Iraqi weapons activities.
Sec. 1202. Strengthening the defense of Taiwan.
Sec. 1203. Administrative services and support for foreign liaison officers.
Sec. 1204. Additional countries covered by loan guarantee program.
Sec. 1205. Limitation on funding for Joint Data Exchange Center in Moscow.
Sec. 1206. Limitation on number of military personnel in Colombia.

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

Sec. 1301. Specification of Cooperative Threat Reduction programs and funds.
Sec. 1302. Funding allocations.
Sec. 1303. Prohibition against use of funds until submission of reports.
Sec. 1304. Report on use of revenue generated by activities carried out under Cooperative Threat Reduction programs.
Sec. 1305. Prohibition against use of funds for second wing of fissile material storage facility.
Sec. 1306. Sense of Congress and report requirement regarding Russian proliferation to Iran.
Sec. 1307. Prohibition against use of Cooperative Threat Reduction funds outside the States of the former Soviet Union.
Sec. 1308. Limited waiver of restriction on use of funds.
Sec. 1309. Limitation on use of funds until submission of report on defense and military contacts activities.

TITLE XIV—UTAH TEST AND TRAINING RANGE

Sec. 1401. Definition of Utah Test and Training Range.
Sec. 1402. Military operations and overflights at Utah Test and Training Range.
Sec. 1403. Designation and management of lands in Utah Test and Training Range.
Sec. 1404. Designation of Pilot Range Wilderness.
Sec. 1405. Designation of Cedar Mountain Wilderness.

TITLE XV—COST OF WAR AGAINST TERRORISM AUTHORIZATION

Sec. 1501. Short title.
Sec. 1502. Amounts authorized for the War on Terrorism.
Sec. 1503. Additional authorizations.

Subtitle A—Authorization of Appropriations

PART I—AUTHORIZATIONS TO TRANSFER ACCOUNTS

Sec. 1511. War on Terrorism Operations Fund.
Sec. 1512. War on Terrorism Equipment Replacement and Enhancement Fund.
Sec. 1513. General provisions applicable to transfers.

PART II—AUTHORIZATIONS TO SPECIFIED ACCOUNTS

Sec. 1521. Army procurement.
Sec. 1522. Navy and Marine Corps procurement.
Sec. 1523. Air Force procurement.
Sec. 1524. Defense-wide activities procurement.
Sec. 1525. Research, development, test, and evaluation, defense-wide.
Sec. 1526. Classified activities.
Sec. 1527. Global Information Grid system.
Sec. 1528. Operation and maintenance.
Sec. 1529. Military personnel.

PART III—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 1531. Authorized military construction and land acquisition projects.

Subtitle B—Wartime Pay and Allowance Increases

Sec. 1541. Increase in rate for family separation allowance.
Sec. 1542. Increase in rates for various hazardous duty incentive pays.
Sec. 1543. Increase in rate for diving duty special pay.
Sec. 1544. Increase in rate for imminent danger pay.
Sec. 1545. Increase in rate for career enlisted flyer incentive pay.
Sec. 1546. Increase in amount of death gratuity.
Sec. 1547. Effective date.

Subtitle C—Additional Provisions

Sec. 1551. Establishment of at least one Weapons of Mass Destruction Civil Support Team in each State.
Sec. 1552. Authority for joint task forces to provide support to law enforcement agencies conducting counter-terrorism activities.
Sec. 1553. Sense of Congress on assistance to first responders.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

Sec. 2001. Short title; definition.

TITLE XXI—ARMY

Sec. 2101. Authorized Army construction and land acquisition projects.
Sec. 2102. Family housing.
Sec. 2103. Improvements to military family housing units.
Sec. 2104. Authorization of appropriations, Army.
Sec. 2105. Modification of authority to carry out certain fiscal year 2002 projects.

TITLE XXII—NAVY

Sec. 2201. Authorized Navy construction and land acquisition projects.
Sec. 2202. Family housing.
Sec. 2203. Improvements to military family housing units.
Sec. 2204. Authorization of appropriations, Navy.
Sec. 2205. Modification of authority to carry out certain fiscal year 2002 project.

TITLE XXIII—AIR FORCE

Sec. 2301. Authorized Air Force construction and land acquisition projects.
Sec. 2302. Family housing.
Sec. 2303. Improvements to military family housing units.
Sec. 2304. Authorization of appropriations, Air Force.

TITLE XXIV—DEFENSE AGENCIES

Sec. 2401. Authorized Defense Agencies construction and land acquisition projects.
Sec. 2402. Improvements to military family housing units.
Sec. 2403. Energy conservation projects.
Sec. 2404. Authorization of appropriations, Defense Agencies.
Sec. 2405. Modification of authority to carry out certain fiscal year 2000 project.
Sec. 2406. Modification of authority to carry out certain fiscal year 1999 project.
Sec. 2407. Modification of authority to carry out certain fiscal year 1997 project.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

Sec. 2501. Authorized NATO construction and land acquisition projects.
Sec. 2502. Authorization of appropriations, NATO.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

Sec. 2601. Authorized guard and reserve construction and land acquisition projects.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

Sec. 2701. Expiration of authorizations and amounts required to be specified by law.
Sec. 2702. Extension of authorizations of certain fiscal year 2000 projects.
Sec. 2703. Extension of authorizations of certain fiscal year 1999 projects.
Sec. 2704. Effective date.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

Sec. 2801. Changes to alternative authority for acquisition and improvement of military housing.
Sec. 2802. Modification of authority to carry out construction projects as part of environmental response action.
Sec. 2803. Leasing of military family housing in Korea.
Sec. 2804. Pilot housing privatization authority for acquisition or construction of military unaccompanied housing.

Subtitle B—Real Property and Facilities Administration

Sec. 2811. Agreements with private entities to limit encroachments and other constraints on military training, testing, and operations.
Sec. 2812. Conveyance of surplus real property for natural resource conservation purposes.
Sec. 2813. National emergency exemption from screening and other requirements of McKinney-Vento Homeless Assistance Act for property used in support of response activities.
Sec. 2814. Demonstration program on reduction in long-term facility maintenance costs.
Sec. 2815. Expanded authority to transfer property at military installations to be closed to persons who construct or provide military family housing.

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

Sec. 2821. Land conveyances, lands in Alaska no longer required for National Guard purposes.
Sec. 2822. Land conveyance, Fort Campbell, Kentucky.
Sec. 2823. Land conveyance, Army Reserve Training Center, Buffalo, Minnesota.
Sec. 2824. Land conveyance, Fort Bliss, Texas
Sec. 2825. Land conveyance, Fort Hood, Texas.
Sec. 2826. Land conveyance, Fort Monmouth, New Jersey.

PART II—NAVY CONVEYANCES

Sec. 2831. Land conveyance, Marine Corps Air Station, Miramar, San Diego, California.
Sec. 2832. Boundary adjustments, Marine Corps Base, Quantico, and Prince William Forest Park, Virginia.

PART III—AIR FORCE CONVEYANCES

Sec. 2841. Land conveyances, Wendover Air Force Base Auxiliary Field, Nevada.

Subtitle D—Other Matters

Sec. 2861. Easement for construction of roads or highways, Marine Corps Base, Camp Pendleton, California.
Sec. 2862. Sale of excess treated water and wastewater treatment capacity, Marine Corps Base, Camp Lejeune, North Carolina.
Sec. 2863. Ratification of agreement regarding Adak Naval Complex, Alaska, and related land conveyances.
Sec. 2864. Special requirements for adding military installation to closure list.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

Sec. 3101. National Nuclear Security Administration.
Sec. 3102. Environmental and other defense activities.

Subtitle B—Department of Energy National Security Authorizations General Provisions

Sec. 3120. Short title; definitions.
Sec. 3121. Reprogramming.
Sec. 3122. Minor construction projects.
Sec. 3123. Limits on construction projects.
Sec. 3124. Fund transfer authority.
Sec. 3125. Authority for conceptual and construction design.
Sec. 3126. Authority for emergency planning, design, and construction activities.
Sec. 3127. Funds available for all national security programs of the Department of Energy.
Sec. 3128. Availability of funds.
Sec. 3129. Transfer of defense environmental management funds.
Sec. 3130. Transfer of weapons activities funds.
Sec. 3131. Scope of authority to carry out plant projects.

Subtitle C—Program Authorizations, Restrictions, and Limitations

Sec. 3141. One-year extension of panel to assess the reliability, safety, and security of the United States nuclear stockpile.
Sec. 3142. Transfer to National Nuclear Security Administration of Department of Defense's Cooperative Threat Reduction program relating to elimination of weapons grade plutonium in Russia.
Sec. 3143. Repeal of requirement for reports on obligation of funds for programs on fissile materials in Russia.
Sec. 3144. Annual certification to the President and Congress on the condition of the United States nuclear weapons stockpile.
Sec. 3145. Plan for achieving one-year readiness posture for resumption by the United States of underground nuclear weapons tests.
Sec. 3146. Prohibition on development of low-yield nuclear weapons.

Subtitle D—Matters Relating to Defense Environmental Management

Sec. 3151. Defense environmental management cleanup reform program.
Sec. 3152. Report on status of environmental management initiatives to accelerate the reduction of environmental risks and challenges posed by the legacy of the Cold War.

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Sec. 3201. Authorization.

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

Sec. 3301. Authorized uses of National Defense Stockpile funds.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

Sec. 3401. Authorization of appropriations.

TITLE XXXV—MARITIME ADMINISTRATION

Sec. 3501. Authorization of appropriations for fiscal year 2003.
Sec. 3502. Authority to convey vessel USS SPHINX (ARL–24).
Sec. 3503. Financial assistance to States for preparation of transferred obsolete ships for use as artificial reefs.
Sec. 3504. Independent analysis of title XI insurance guarantee applications.

SEC. 3. CONGRESSIONAL DEFENSE COMMITTEES DEFINED.

For purposes of this Act, the term ''congressional defense committees'' means—

(1) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(2) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

Subtitle A—Authorization of Appropriations

SEC. 101. ARMY.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Army as follows:

(1) For aircraft, $2,300,327,000.

(2) For missiles, $1,693,896,000.

(3) For weapons and tracked combat vehicles, $2,372,958,000.

(4) For ammunition, $1,320,026,000.

(5) For other procurement, $6,119,447,000.

SEC. 102. NAVY AND MARINE CORPS.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Navy as follows:

(1) For aircraft, $8,971,555,000.

(2) For weapons, including missiles and torpedoes, $1,916,617,000.

(3) For shipbuilding and conversion, $9,279,494,000.

(4) For other procurement, $4,527,763,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Marine Corps in the amount of $1,351,983,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement of ammunition for the Navy and the Marine Corps in the amount of $1,104,453,000.

SEC. 103. AIR FORCE.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Air Force as follows:

(1) For aircraft, $12,522,755,000.

(2) For missiles, $3,482,639,000.

(3) For ammunition, $1,176,864,000.

(4) For other procurement, $10,907,730,000.

SEC. 104. DEFENSE-WIDE ACTIVITIES.

Funds are hereby authorized to be appropriated for fiscal year 2003 for Defense-wide procurement in the amount of $2,621,009,000.

SEC. 105. DEFENSE INSPECTOR GENERAL.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement for the Inspector General of the Department of Defense in the amount of $2,000,000.

SEC. 106. CHEMICAL DEMILITARIZATION PROGRAM.

There is hereby authorized to be appropriated for fiscal year 2003 the amount of $1,490,199,000 for—

(1) the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521); and

(2) the destruction of chemical warfare materiel of the United States that is not covered by section 1412 of such Act.

SEC. 107. DEFENSE HEALTH PROGRAMS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the Department of Defense for procurement for carrying out health care programs, projects, and activities of the Department of Defense in the total amount of $278,742,000.

SEC. 111. SHIPBUILDING INITIATIVE.

(a) USE OF SPECIFIED SHIPBUILDING AUTHORIZATION AMOUNT SUBJECT TO CONTRACTOR AGREEMENT.—Of the amounts authorized to be appropriated by section 102(a)(3) for fiscal year 2003, $810,000,000 shall be available for shipbuilding programs of the Navy either in accordance with subsection (b) or in accordance with subsection (c).

(b) DDG–51 AUTHORIZATION IF AGREEMENT REACHED.—If as of the date of the enactment of this Act the Secretary of the Navy has submitted to Congress a certification described in subsection (d), then the amount referred to in subsection (a) shall be available for procurement of one Arleigh Burke class (DDG-51) destroyer.

(c) AUTHORIZATION IF AGREEMENT NOT REACHED.—If as of the date of the enactment of this Act the Secretary of the Navy has not submitted to Congress a certification described in subsection (d), then the amount referred to in subsection (a) shall be available as follows:

(1) $415,000,000 shall be available for advance procurement for Virginia class submarines.

(2) $210,000,000 shall be available for advance procurement for cruiser conversion.

(3) $185,000,000 shall be available for nuclear-powered submarine (SSN) engineered refueling overhaul.

(d) CERTIFICATION.—A certification referred to in subsections (b) and (c) is a certification by the Secretary of the Navy that the prime contractor for the Virginia class submarine program has entered into a binding agreement with the United States to expend from its own funds an amount not less than $385,000,000 for economic order quantity procurement of nuclear and nonnuclear components for Virginia class submarines beginning in fiscal year 2003.

(e) MULTIYEAR PROCUREMENT AUTHORITY.—(1) If the terms of an agreement described in subsection (d) between the United States and the prime contractor for the Virginia class submarine program include a requirement for the Secretary of the Navy to seek to acquire Virginia class submarines through a multiyear procurement contract, the Secretary of the Navy may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for procurement of Virginia class submarines, beginning with the fiscal year 2003 program year.

(2)(A) In the case of a contract authorized by paragraph (1), a certification under subsection (i)(1)(A) of section 2306b of title 10, United States Code, with respect to that contract may only be submitted if the certification includes an additional certification that each of the conditions specified in subsection (a) of that section has been satisfied with respect to that contract.

(B) Upon transmission to Congress of a certification referred to in subparagraph (A) with respect to a contract authorized by paragraph (1), the contract may then be entered into only after a period of 30 days has elapsed after the date of the transmission of such certification.

SEC. 112. PROHIBITION ON ACQUISITION OF CHAMPION-CLASS, T-5 FUEL TANKERS.

(a) PROHIBITION.—Except as provided in subsection (b), a Champion-class fuel tanker, known as a T-5, which features a double hull and reinforcement against ice damage, may not be acquired for the Military Sealift Command or for other Navy purposes.

(b) TERMINATION.—The prohibition in subsection (a) shall not apply if the acquisition of a T-5 tanker is specifically authorized in a defense authorization Act that—

(1) is enacted after the date of the enactment of this Act;

(2) specifically refers to subsection (a); and

(3) specifically states that the prohibition in such subsection does not apply.

Subtitle C—Air Force Programs

SEC. 121. MULTIYEAR PROCUREMENT AUTHORITY FOR C–130J AIRCRAFT PROGRAM.

(a) MULTIYEAR AUTHORITY.—Beginning with the fiscal year 2003 program year, the Secretary of the Air Force may, in accordance with section 2306b of title 10, United States Code, enter into a multiyear contract for procurement of C-130J aircraft.

(b) LIMITATION.—The Secretary of Defense may not enter into a contract authorized by subsection (a) until—

(1) the Secretary submits to the congressional defense committees a certification described in subsection (c); and

(2) a period of 30 days has expired after such certification is submitted.

(c) REQUIRED CERTIFICATION AS TO PROGRESS TOWARD SUCCESSFUL OPERATIONAL TEST AND EVALUATION.—A certification under subsection (b)(1) is a certification by the Secretary of Defense that the C-130J program is making satisfactory progress towards a successful operational test and evaluation.

(d) REQUIRED CERTIFICATION WITH RESPECT TO MULTIYEAR CONTRACTING CONDITIONS.—(1) In the case of a contract authorized by subsection (a) of this section, a certification under subsection (i)(1)(A) of section 2306b of title 10, United States Code, with respect to that contract may only be submitted if the certification includes an additional certification that each of the conditions specified in subsection (a) of that section has been satisfied with respect to that contract.

(2) Upon transmission to Congress of a certification referred to in paragraph (1) with respect to a contract authorized by subsection (a), the contract may then be entered into only after a period of 30 days has elapsed after the date of the transmission of such certification.

SEC. 122. REALLOCATION OF CERTAIN FUNDS FOR AIR FORCE RESERVE COMMAND F–16 AIRCRAFT PROCUREMENT.

Of the funds authorized to be appropriated by section 103(1) that are available for procurement of F–16 aircraft for the Air Force Reserve Command, $14,400,000 shall be available for 36 Litening II modernization upgrade kits for the F–16 block 25 and block 30 aircraft (rather than for Litening AT pods for such aircraft).

Subtitle D—Other Programs

SEC. 141. REVISIONS TO MULTIYEAR CONTRACTING AUTHORITY.

(a) USE OF PROCUREMENT AND ADVANCE PROCUREMENT FUNDS.—Section 2306b(i) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(4)(A) Unless otherwise authorized by law, the Secretary of Defense may obligate funds for procurement of an end item under a multiyear contract for the purchase of property only for procurement of a complete and usable end item.

''(B) Unless otherwise authorized by law, the Secretary of Defense may obligate funds appropriated for any fiscal year for advance procurement under a multiyear contract for the purchase of property only for the procurement of those long-lead items necessary in order to meet a planned delivery schedule for complete major end items that are programmed under the contract to be acquired with funds appropriated for a subsequent fiscal year.''.

(b) EFFECTIVE DATE.—Paragraph (4) of section 2306b(i) of title 10, United States Code, as added by subsection (a), shall not apply with respect to any multiyear contract authorized by law before the date of the enactment of this Act.

SEC. 142. TRANSFER OF TECHNOLOGY ITEMS AND EQUIPMENT IN SUPPORT OF HOMELAND SECURITY.

(a) IN GENERAL.—Subchapter III of chapter 148 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2520. Transfer of technology items and equipment in support of homeland security

''The Secretary of Defense shall enter into an agreement with an independent, nonprofit, technology-oriented entity that has demonstrated the ability to facilitate the transfer of defense technologies, developed by both the private and public sectors, to aid Federal, State, and local first responders. Under the agreement the entity shall develop and deploy technology items and equipment, through coordination between Government agencies and private sector, commercial developers and suppliers of technology, that will enhance public safety and shall—

''(1) work in coordination with the Inter-Agency Board for Equipment Standardization and Interoperability;

''(2) develop technology items and equipment that meet the standardization requirements established by the Board;

''(3) evaluate technology items and equipment that have been identified using the standards developed by the Board and other state-of-the-art technology items and equipment that may benefit first responders;

''(4) identify and coordinate among the public and private sectors research efforts applicable to national security and homeland security;

''(5) facilitate the timely transfer of technology items and equipment between public and private sources;

''(6) eliminate redundant research efforts with respect to technologies to be deployed to first responders;

''(7) expedite the advancement of high priority projects from research through implementation of initial manufacturing; and

''(8) establish an outreach program, in coordination with the Board, with first responders to facilitate awareness of available technology items and equipment to support crisis response.''.

(b) DEADLINE FOR AGREEMENT.—The Secretary of Defense shall enter into the agreement required by section 2520 of title 10, United States Code (as added by subsection (a)) not later than January 15, 2003.

(c) STRATEGIC PLAN.—The entity described in section 2520 of such title shall develop a strategic plan to carry out the goals described in such section, which shall include identification of—

(1) the initial technology items and equipment considered for development; and

(2) the program schedule timelines for such technology items and equipment.

(d) REPORT REQUIRED.—Not later than March 15, 2003, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on—

(1) the actions taken to carry out such section 2520;

(2) the relationship of the entity described in such section to the InterAgency Board for Equipment Standardization and Interoperability; and

(3) the strategic plan of such entity to meet the goals described in such section.

(e) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter III of chapter 148 of title 10, United States Code, is amended by adding at the end the following new item:

''2520. Transfer of technology items and equipment in support of homeland security.''.

SEC. 143. DESTRUCTION OF EXISTING STOCKPILE OF LETHAL CHEMICAL AGENTS AND MUNITIONS.

(a) PROGRAM MANAGEMENT.—The Secretary of Defense shall ensure that the program for destruction of the United States stockpile of lethal chemical agents and munitions is managed as a major defense acquisition program (as defined in section 2430 of title 10, United States Code) in accordance with the essential elements of such programs as may be determined by the Secretary.

(b) REQUIREMENT FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER) ANNUAL CERTIFICATION.—Beginning with respect to the budget request for fiscal year 2004, the Under Secretary of Defense (Comptroller) shall submit to the congressional defense committees on an annual basis a certification that the budget request for the chemical agents and munitions destruction program has been submitted in accordance with the requirements of applicable Federal laws.

SEC. 144. REPORT ON UNMANNED AERIAL VEHICLE SYSTEMS.

(a) REPORT.—Not later than January 1, 2003, the Secretary of Defense shall submit to Congress a report on unmanned aerial vehicle systems of the Department of Defense.

(b) MATTERS TO BE INCLUDED CONCERNING UNMANNED AERIAL VEHICLE SYSTEMS.—The Secretary shall include in the report under subsection (a) the following, shown for each system referred to in that subsection:

(1) A description of the infrastructure that the Department of Defense has (or is planning) for the system.

(2) A description of the operational requirements document (ORD) for the system.

(3) A description of the physical infrastructure of the Department for training and basing.

(4) A description of the manner in which the Department is interfacing with the industrial base.

(5) A description of the acquisition plan for the system.

(c) SUGGESTIONS FOR CHANGES IN LAW.—The Secretary shall also include in the report under subsection (a) such suggestions as the Secretary considers appropriate for changes in law that would facilitate the way the Department acquires unmanned aerial vehicle systems.

SEC. 145. REPORT ON IMPACT OF ARMY AVIATION MODERNIZATION PLAN ON THE ARMY NATIONAL GUARD.

(a) REPORT BY CHIEF OF THE NATIONAL GUARD BUREAU.—Not later than February 1, 2003, the Chief of the National Guard Bureau shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the requirements for Army National Guard aviation. The report shall include the following:

(1) An analysis of the impact of the Army Aviation Modernization Plan on the ability of the Army National Guard to conduct its aviation missions.

(2) The plan under that aviation modernization plan for the transfer of aircraft from the active component of the Army to the Army reserve components, including a timeline for those transfers.

(3) The progress, as of January 1, 2003, in carrying out the transfers under the plan referred to in paragraph (2).

(4) An evaluation of the suitability of existing Commercial Off The Shelf (COTS) light-twin engine helicopters for performance of Army National Guard aviation missions.

(b) VIEWS OF THE CHIEF OF STAFF OF THE ARMY.—If, before the report under subsection (a) is submitted, the Chief of the National Guard Bureau receives from the Chief of Staff of the Army the views of the Chief of Staff on the matters to be covered in the report, the Chief of the Bureau shall include those views with the report as submitted under subsection (a).

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Subtitle A—Authorization of Appropriations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Department of Defense for research, development, test, and evaluation as follows:

(1) For the Army, $6,933,319,000.

(2) For the Navy, $13,274,540,000.

(3) For the Air Force, $18,803,184,000.

(4) For Defense-wide activities, $17,413,291,000, of which $222,054,000 is authorized for the Director of Operational Test and Evaluation.

SEC. 202. AMOUNT FOR DEFENSE SCIENCE AND TECHNOLOGY.

(a) FISCAL YEAR 2003.—Of the amounts authorized to be appropriated by section 201, $10,023,658,000 shall be available for the Defense Science and Technology Program, including basic research, applied research, and advanced technology development projects.

(b) BASIC RESEARCH, APPLIED RESEARCH, AND ADVANCED TECHNOLOGY DEVELOPMENT DEFINED.—For purposes of this section, the term ''basic research, applied research, and advanced technology development'' means work funded in program elements for defense research and development under Department of Defense category 6.1, 6.2, or 6.3.

Subtitle B—Program Requirements, Restrictions, and Limitations

SEC. 211. RAH–66 COMANCHE AIRCRAFT PROGRAM.

(a) LIMITATION.—None of the funds authorized to be appropriated for fiscal year 2003 for engineering and manufacturing development for the RAH–66 Comanche aircraft program may be obligated until the Secretary of the Army submits to the congressional defense committees a report, prepared in coordination with the Under Secretary of Defense for Acquisition, Technology, and Logistics, containing an accurate estimate of funds required to complete engineering and manufacturing development for that aircraft and the new time line and plan for bringing that aircraft to initial operational capability, as called for in the joint explanatory statement of the committee of conference on the bill S. 1438 of the One Hundred Seventh Congress (at page 535 of House Report 107–333, submitted December 12, 2001).

(b) LIMITATION ON TOTAL COST OF ENGINEERING AND MANUFACTURING DEVELOPMENT.—The total amount obligated or expended for engineering and manufacturing development under the RAH–66 Comanche aircraft program may not exceed $6,000,000,000.

(c) ADJUSTMENT OF LIMITATION AMOUNTS.—(1) Subject to paragraph (2), the Secretary of the Army shall adjust the amount of the limitation set forth in subsection (b) by the following amounts:

(A) The amounts of increases or decreases in costs attributable to economic inflation after September 30, 2002.

(B) The amounts of increases or decreases in costs attributable to compliance with changes in Federal, State, or local laws enacted after September 30, 2002.

(2) Before making any adjustment under paragraph (1) in an amount greater than $20,000,000, the Secretary of the Army shall submit to the congressional defense committees notice in writing of the proposed increase.

(d) ANNUAL DOD INSPECTOR GENERAL REVIEW.—(1) Not later than March 1 of each year, the Department of Defense Inspector General shall review the RAH–66 Comanche aircraft program and submit to Congress a report on the results of the review.

(2) The report submitted on the program each year shall include the following:

(A) The extent to which engineering and manufacturing development under the program is meeting the goals established for engineering and manufacturing development under the program, including the performance, cost, and schedule goals.

(B) The status of modifications expected to have a significant effect on cost, schedule, or performance of RAH–66 aircraft.

(C) The plan for engineering and manufacturing development (leading to production) under the program for the fiscal year that begins in the following year.

(D) A conclusion regarding whether the plan referred to in subparagraph (C) is consistent with the limitation in subsection (a).

(E) A conclusion regarding whether engineering and manufacturing development (leading to production) under the program is likely to be completed at a total cost not in excess of the amount specified in subsection (a).

(3) No report is required under this subsection after the RAH–66 aircraft has completed engineering and manufacturing development.

(e) LIMITATION ON OBLIGATION OF FUNDS.—Of the total amount authorized to be appropriated for the RAH–66 Comanche aircraft program for research, development, test, and evaluation for a fiscal year, not more than 90 percent of that amount may be obligated until the Department of Defense Inspector General submits to Congress the report required to be submitted in that fiscal year under subsection (d).

SEC. 212. EXTENSION OF REQUIREMENT RELATING TO MANAGEMENT RESPONSIBILITY FOR NAVAL MINE COUNTERMEASURES PROGRAMS.

Section 216(a) of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1317), as most recently amended by section 211 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1946), is amended by striking ''through 2003'' and inserting ''through 2008''.

SEC. 213. EXTENSION OF AUTHORITY TO CARRY OUT PILOT PROGRAM FOR REVITALIZING THE LABORATORIES AND TEST AND EVALUATION CENTERS OF THE DEPARTMENT OF DEFENSE.

Section 246 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (Public Law 105–261; 112 Stat. 1955; 10 U.S.C. 2358 note) is amended—

(1) in subsection (a)(1), by inserting before the period at the end the following: '', and to demonstrate improved efficiency in the performance of the research, development, test, and evaluation functions of the Department of Defense'';

(2) in subsection (a)(4), by striking ''for a period'' and all that follows through the period at the end and inserting ''until March 1, 2008.'';

(3) in subsection (b)(2), by striking ''Promptly after'' and all that follows through ''The report shall contain'' and inserting ''Not later than December 31 of each year, the Secretary of Defense shall submit to the congressional defense committees a report on the activities of the pilot program during the preceding fiscal year. Each such report shall contain, for each laboratory or center in the pilot program,''; and

(4) by adding at the end of subsection (b) the following new paragraph:

''(3) Not later than March 1, 2007, the Secretary of Defense shall submit to the committees referred to in paragraph (2) the Secretary's recommendation as to whether, and to what extent, the authority to carry out the pilot program should be extended.''.

SEC. 214. REVISED REQUIREMENTS FOR PLAN FOR MANUFACTURING TECHNOLOGY PROGRAM.

(a) STREAMLINED CONTENTS OF PLAN.—Subsection (e) of section 2521 of title 10, United States Code, is amended by striking ''prepare a five-year plan'' in paragraph (1) and all that follows through the end of subparagraph (B) of paragraph (2) and inserting the following: ''prepare and maintain a five-year plan for the program.

''(2) The plan shall establish the following:

''(A) The overall manufacturing technology objectives, milestones, priorities, and investment strategy for the program.

''(B) The specific objectives of, and funding for the program by, each military department and each Defense Agency participating in the program.''.

(b) BIENNIAL REPORT.—Such subsection is further amended in paragraph (3)—

(1) by striking ''annually'' and inserting ''biennially''; and

(2) by striking ''for a fiscal year'' and inserting ''for each even-numbered fiscal year''.

SEC. 215. TECHNOLOGY TRANSITION INITIATIVE.

(a) ESTABLISHMENT AND CONDUCT.—Chapter 139 of title 10, United States Code, is amended by inserting after section 2359 the following new section:

''§ 2359a. Technology Transition Initiative

''(a) INITIATIVE REQUIRED.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, Technology, and Logistics, shall carry out an initiative, to be known as the Technology Transition Initiative (hereinafter in this section referred to as the 'Initiative'), to facilitate the rapid transition of new technologies from science and technology programs of the Department of Defense into acquisition programs of the Department for the production of such technologies.

''(b) OBJECTIVES.—The Initiative shall have the following objectives:

''(1) To accelerate the introduction of new technologies into appropriate acquisition programs.

''(2) To successfully demonstrate new technologies in relevant environments.

''(3) To ensure that new technologies are sufficiently mature for production.

''(c) MANAGEMENT OF INITIATIVE.—(1) The Initiative shall be managed by a senior official in the Office of the Secretary of Defense designated by the Secretary (hereinafter in this section referred to as the 'Manager'). In managing the Initiative, the Manager shall report directly to the Under Secretary of Defense for Acquisition, Technology, and Logistics.

''(2) The Secretary shall establish a board of directors (hereinafter in this section referred to as the 'Board'), composed of the acquisition executive of each military department, the members of the Joint Requirements Oversight Council, and the commander of the Joint Forces Command. The Board shall assist the Manager in managing the Initiative.

''(3) The Secretary shall establish, under the auspices of the Under Secretary of Defense for Acquisition, Technology, and Logistics, a panel of highly qualified scientists and engineers. The panel shall advise the Under Secretary on matters relating to the Initiative.

''(d) DUTIES OF MANAGER.—The Manager shall have following duties:

''(1) To identify, in consultation with the Board, promising technologies that have been demonstrated in science and technology programs of the Department.

''(2) To identify potential sponsors in the Department to undertake the transition of such technologies into production.

''(3) To work with the science and technology community and the acquisition community to develop memoranda of agreement, joint funding agreements, and other cooperative arrangements to provide for the transition of such technologies into production.

''(4) Provide funding support for projects selected under subsection (e).

''(e) JOINTLY FUNDED PROJECTS.—(1) The acquisition executive of each military department shall identify technology projects of that military department to recommend for funding support under the Initiative and shall submit to the Manager a list of such recommended projects, ranked in order of priority. Such executive shall identify such projects, and establish priorities among such projects, using a competitive process, on the basis of the greatest potential benefits in areas of interest identified by the Secretary of that military department.

''(2) The Manager, in consultation with the Board, shall select projects for funding support from among the projects on the lists submitted under paragraph (1). From the funds made available to the Manager for the Initiative, the Manager shall provide funds for each selected project in an amount determined by mutual agreement between the Manager and the acquisition executive of the military department concerned, but not less than 50 percent of the total cost of the project.

''(3) The acquisition executive of the military department concerned shall manage each project selected under paragraph (2) that is undertaken by the military department. Memoranda of agreement, joint funding agreements, and other cooperative arrangements between the science and technology community and the acquisition community shall be used in carrying out the project if the acquisition executive determines that it is appropriate to do so to achieve the objectives of the project.

''(f) REQUIREMENT FOR PROGRAM ELEMENT.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year (as submitted with the budget of the President under section 1105(a) of title 31), the amount requested for activities of the Initiative shall be set forth in a separate program element within amounts requested for research, development, test, and evaluation for Defense-wide activities.

''(g) DEFINITION OF ACQUISITION EXECUTIVE.—In this section, the term 'acquisition executive', with respect to a military department, means the official designated as the senior procurement executive for that military department under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2359 the following new item:

''2359a. Technology Transition Initiative.''.

SEC. 216. DEFENSE ACQUISITION CHALLENGE PROGRAM.

(a) IN GENERAL.—(1) Chapter 139 of title 10, United States Code, is amended by inserting after section 2359a (as added by section 215) the following new section:

''§ 2359b. Defense Acquisition Challenge Program

''(a) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program to provide opportunities for the increased introduction of innovative and cost-saving technology in acquisition programs of the Department of Defense. The program, to be known as the Defense Acquisition Challenge Program (hereinafter in this section referred to as the 'Challenge Program'), shall provide any person or activity within or outside the Department of Defense with the opportunity to propose alternatives, to be known as challenge proposals, at the component, subsystem, or system level of an existing Department of Defense acquisition program that would result in improvements in performance, affordability, manufacturability, or operational capability of that acquisition program.

''(b) PANEL.—(1) In carrying out the Challenge Program, the Secretary shall establish a panel of highly qualified scientists and engineers (hereinafter in this section referred to as the 'Panel') under the auspices of the Under Secretary of Defense for Acquisition, Technology, and Logistics. The duty of the Panel shall be to carry out evaluations of challenge proposals under subsection (c).

''(2) A member of the Panel may not participate in any evaluation of a challenge proposal under subsection (c) if at any time within the previous five years that member has, in any capacity, participated in or been affiliated with the acquisition program for which the challenge proposal is submitted.

''(c) EVALUATION BY PANEL.—(1) Under procedures prescribed by the Secretary, a person

or activity within or outside the Department of Defense may submit challenge proposals to the Panel.

''(2) The Panel shall carry out an evaluation of each challenge proposal submitted under paragraph (1) to determine each of the following criteria:

''(A) Whether the challenge proposal has merit.

''(B) Whether the challenge proposal is likely to result in improvements in performance, affordability, manufacturability, or operational capability at the component, subsystem, or system level of the applicable acquisition program.

''(C) Whether the challenge proposal could be implemented rapidly in the applicable acquisition program.

''(3) If the Panel determines that a challenge proposal satisfies each of the criteria specified in paragraph (2), the person or activity submitting that challenge proposal shall be provided an opportunity to submit such challenge proposal for a full review and evaluation under subsection (d).

''(d) FULL REVIEW AND EVALUATION.—(1) Under procedures prescribed by the Secretary, for each challenge proposal submitted for a full review and evaluation as provided in subsection (c)(3), the office carrying out the applicable acquisition program, and the prime system contractor carrying out such program, shall jointly conduct a full review and evaluation of the challenge proposal.

''(2) The full review and evaluation shall, independent of the determination of the Panel under subsection (c)(2), determine each of the matters specified in subparagraphs (A), (B), and (C) of such subsection.

''(e) ACTION UPON FAVORABLE FULL REVIEW AND EVALUATION.—(1) Under procedures prescribed by the Secretary, each challenge proposal determined under a full review and evaluation to satisfy each of the criteria specified in subsection (c)(2) shall be considered by the prime system contractor for incorporation into the applicable acquisition program as a new technology insertion at the component, subsystem, or system level.

''(2) The Secretary shall encourage the adoption of each challenge proposal referred to in paragraph (1) by providing suitable incentives to the office carrying out the applicable acquisition program and the prime system contractor carrying out such program.

''(f) ACCESS TO TECHNICAL RESOURCES.—The Secretary shall ensure that the Panel (in carrying out evaluations of challenge proposals under subsection (c)) and each office and prime system contractor (in conducting a full review and evaluation under subsection (d)) have the authority to call upon the technical resources of the laboratories, research, development, and engineering centers, test and evaluation activities, and other elements of the Department.

''(g) ELIMINATION OF CONFLICTS OF INTEREST.—In carrying out each evaluation under subsection (c) and full review under subsection (d), the Secretary shall ensure the elimination of conflicts of interest.

''(h) REPORT.—The Secretary shall submit to Congress, with the submission of the budget request for the Department of Defense for each fiscal year during which the Challenge Program is carried out, a report on the Challenge Program for that fiscal year. The report shall include the number and scope of challenge proposals submitted, evaluated, subjected to full review, and adopted.

''(i) SUNSET.—The authority to carry out this section shall terminate on September 30, 2007.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2359a (as added by section 215) the following new item:

''2359b. Defense Acquisition Challenge Program.''.

(b) INITIAL FUNDING.—(1) Of the funds authorized to be appropriated by section 201(4) for Defense-wide research, development, test, and evaluation for fiscal year 2003, $25,000,000 shall be available in program element 0603826D8Z for the Defense Acquisition Challenge Program required by section 2359b of title 10, United States Code, as added by subsection (a).

(2) The funds provided under paragraph (1) may be used only for review and evaluation of challenge proposals, and not for implementation of challenge proposals.

Subtitle C—Ballistic Missile Defense

SEC. 231. LIMITATION ON OBLIGATION OF FUNDS FOR PROCUREMENT OF PATRIOT (PAC–3) MISSILES PENDING SUBMISSION OF REQUIRED CERTIFICATION.

None of the funds appropriated for fiscal year 2003 for procurement of missiles for the Army may be obligated for the Patriot Advanced Capability (PAC–3) missile program until the Secretary of Defense has submitted to the congressional defense committees the following:

(1) The criteria for the transfer of responsibility for a missile defense program from the Director of the Missile Defense Agency to the Secretary of a military department, as required by section 224(b)(2) of title 10, United States Code.

(2) The notice and certification with respect to the transfer of responsibility for the Patriot Advanced Capability (PAC–3) missile program from the Director to the Secretary of the Army required by section 224(c) of such title.

SEC. 232. RESPONSIBILITY OF MISSILE DEFENSE AGENCY FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION RELATED TO SYSTEM IMPROVEMENTS OF PROGRAMS TRANSFERRED TO MILITARY DEPARTMENTS.

Section 224(e) of title 10, United States Code, is amended—

(1) by striking ''before a'' and inserting ''for each'';

(2) by striking ''is''; and

(3) by striking ''roles and responsibilities'' and all that follows through the period at the end and inserting ''responsibility for research, development, test, and evaluation related to system improvements for that program remains with the Director.''.

SEC. 233. AMENDMENTS TO REFLECT CHANGE IN NAME OF BALLISTIC MISSILE DEFENSE ORGANIZATION TO MISSILE DEFENSE AGENCY.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Sections 203, 223, and 224 are each amended by striking ''Ballistic Missile Defense Organization'' each place it appears and inserting ''Missile Defense Agency''.

(2)(A) The heading of section 203 is amended to read as follows:

''§ 203. Director of Missile Defense Agency''.

(B) The item relating to such section in the table of sections at the beginning of subchapter II of chapter 8 is amended to read as follows:

''203. Director of Missile Defense Agency.''.

(b) PUBLIC LAW 107–107.—(1) Section 232 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 2431 note) is amended by striking ''Ballistic Missile Defense Organization'' each place it appears and inserting ''Missile Defense Agency''.

(2) The heading for such section is amended to read as follows:

''SEC. 232. PROGRAM ELEMENTS FOR MISSILE DEFENSE AGENCY.''.

(c) PUBLIC LAW 106–398.—(1) Section 3132 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 10 U.S.C. 2431 note) is amended by striking ''Ballistic Missile Defense Organization'' each place it appears and inserting ''Missile Defense Agency''.

(2) Such section is further amended in subsection (c) by striking ''BMDO'' and inserting ''MDA''.

(3) The section heading for such section is amended to read as follows:

''SEC. 3132. ENHANCED COOPERATION BETWEEN NATIONAL NUCLEAR SECURITY ADMINISTRATION AND MISSILE DEFENSE AGENCY.''.

(d) OTHER LAWS.—The following provisions are each amended by striking ''Ballistic Missile Defense Organization'' each place it appears and inserting ''Missile Defense Agency'':

(1) Section 233 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 223 note).

(2) Section 234 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 10 U.S.C. 2431 note).

(3) Sections 235 (10 U.S.C. 2431 note) and 243 (10 U.S.C. 2431 note) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

TITLE III—OPERATION AND MAINTENANCE

Subtitle A—Authorization of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $24,159,733,000.

(2) For the Navy, $29,428,876,000.

(3) For the Marine Corps, $3,588,512,000.

(4) For the Air Force, $27,299,404,000.

(5) For Defense-wide activities, $14,370,037,000.

(6) For the Army Reserve, $1,918,110,000.

(7) For the Naval Reserve, $1,233,759,000.

(8) For the Marine Corps Reserve, $185,532,000.

(9) For the Air Force Reserve, $2,194,719,000.

(10) For the Army National Guard, $4,300,767,000.

(11) For the Air National Guard, $4,077,845,000.

(12) For the Defense Inspector General, $155,165,000.

(13) For the United States Court of Appeals for the Armed Forces, $9,614,000.

(14) For Environmental Restoration, Army, $395,900,000.

(15) For Environmental Restoration, Navy, $256,948,000.

(16) For Environmental Restoration, Air Force, $389,773,000.

(17) For Environmental Restoration, Defense-wide, $23,498,000.

(18) For Environmental Restoration, Formerly Used Defense Sites, $212,102,000.

(19) For Overseas Humanitarian, Disaster, and Civic Aid programs, $58,400,000.

(20) For Drug Interdiction and Counterdrug Activities, Defense-wide, $848,907,000.

(21) For the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, $25,000,000.

(22) For Defense Health Program, $14,242,541,000.

(23) For Cooperative Threat Reduction programs, $416,700,000.

(24) For Support for International Sporting Competitions, Defense, $19,000,000.

SEC. 302. WORKING CAPITAL FUNDS.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the

Armed Forces and other activities and agencies of the Department of Defense for providing capital for working capital and revolving funds in amounts as follows:

(1) For the Defense Working Capital Funds, $1,504,956,000.

(2) For the National Defense Sealift Fund, $934,129,000.

SEC. 303. ARMED FORCES RETIREMENT HOME.

There is hereby authorized to be appropriated for fiscal year 2003 from the Armed Forces Retirement Home Trust Fund the sum of $69,921,000 for the operation of the Armed Forces Retirement Home.

Subtitle B—Environmental Provisions

SEC. 311. INCIDENTAL TAKING OF MIGRATORY BIRDS DURING MILITARY READINESS ACTIVITY.

Section 3 of the Migratory Bird Treaty Act (16 U.S.C. 704) is amended by adding at the end the following new subsection:

''(c)(1) Section 2 shall not apply to the incidental taking of a migratory bird by a member of the Armed Forces during a military readiness activity authorized by the Secretary of Defense or the Secretary of the military department concerned.

''(2)(A) In this subsection, the term 'military readiness activity' includes—

''(i) all training and operations of the Armed Forces that relate to combat; and

''(ii) the adequate and realistic testing of military equipment, vehicles, weapons, and sensors for proper operation and suitability for combat use.

''(B) The term does not include—

''(i) the routine operation of installation operating support functions, such as administrative offices, military exchanges, commissaries, water treatment facilities, storage facilities, schools, housing, motor pools, laundries, morale, welfare, and recreation activities, shops, and mess halls;

''(ii) the operation of industrial activities; or

''(iii) the construction or demolition of facilities used for a purpose described in clause (i) or (ii).''.

SEC. 312. MILITARY READINESS AND THE CONSERVATION OF PROTECTED SPECIES.

(a) LIMITATION ON DESIGNATION OF CRITICAL HABITAT.—Section 4(a)(3) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(3)) is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting ''(A)'' after ''(3)''; and

(3) by adding at the end the following:

''(B)(i) The Secretary may not designate as critical habitat any lands or other geographical areas owned or controlled by the Department of Defense, or designated for its use, that are subject to an integrated natural resources management plan prepared under section 101 of the Sikes Act (16 U.S.C. 670a), if the Secretary determines that such plan addresses special management considerations or protection (as those terms are used in section 3(5)(A)(i)).

''(ii) Nothing in this subparagraph affects the requirement to consult under section 7(a)(2) with respect to an agency action (as that term is defined in that section).

''(iii) Nothing in this subparagraph affects the obligation of the Department of Defense to comply with section 9 of the Endangered Species Act of 1973, including the prohibition preventing extinction and taking of endangered species and threatened species.''.

(b) CONSIDERATION OF EFFECTS OF DESIGNATION OF CRITICAL HABITAT.—Section 4(b)(2) of the Endangered Species Act of 1973 (16 U.S.C. 1533(b)(2)) is amended by inserting ''the impact on national security,'' after ''the economic impact,''.

SEC. 313. SINGLE POINT OF CONTACT FOR POLICY AND BUDGETING ISSUES REGARDING UNEXPLODED ORDNANCE, DISCARDED MILITARY MUNITIONS, AND MUNITIONS CONSTITUENTS.

Section 2701 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(k) UXO PROGRAM MANAGER.—(1) The Secretary of Defense shall establish a program manager who shall serve as the single point of contact in the Department of Defense for policy and budgeting issues involving the characterization, remediation, and management of explosive and related risks with respect to unexploded ordnance, discarded military munitions, and munitions constituents at defense sites (as such terms are defined in section 2710 of this title) that pose a threat to human health or safety.

''(2) The Secretary of Defense may delegate this authority to the Secretary of a military department, who may delegate the authority to the Under Secretary of that military department. The authority may not be further delegated.

''(3) The program manager may establish an independent advisory and review panel that may include representatives of the National Academy of Sciences, nongovernmental organizations with expertise regarding unexploded ordnance, discarded military munitions, or munitions constituents, the Environmental Protection Agency, States (as defined in section 2710 of this title), and tribal governments. If established, the panel would report annually to Congress on progress made by the Department of Defense to address unexploded ordnance, discarded military munitions, or munitions constituents at defense sites and make such recommendations as the panel considered appropriate.''.

Subtitle C—Commissaries and Nonappropriated Fund Instrumentalities

SEC. 321. AUTHORITY FOR EACH MILITARY DEPARTMENT TO PROVIDE BASE OPERATING SUPPORT TO FISHER HOUSES.

Section 2493(f) of title 10, United States Code, is amended to read as follows:

''(f) BASE OPERATING SUPPORT.—The Secretary of a military department may provide base operating support for Fisher Houses associated with health care facilities of that military department.''.

SEC. 322. USE OF COMMISSARY STORES AND MWR RETAIL FACILITIES BY MEMBERS OF NATIONAL GUARD SERVING IN NATIONAL EMERGENCY.

(a) ADDITIONAL BASIS FOR AUTHORIZED USE.—Section 1063a of title 10, United States Code, is amended—

(1) in subsection (a), by inserting ''or national emergency'' after ''federally declared disaster''; and

(2) in subsection (c), by adding at the end the following new paragraph:

''(3) NATIONAL EMERGENCY.—The term 'national emergency' means a national emergency declared by the President or Congress.''.

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

''§ 1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster or national emergency''.

(2) The table of sections at the beginning of chapter 54 of such title is amended by striking the item relating to section 1063a and inserting the following new item:

''1063a. Use of commissary stores and MWR retail facilities: members of National Guard serving in federally declared disaster or national emergency.''.

SEC. 323. UNIFORM FUNDING AND MANAGEMENT OF MORALE, WELFARE, AND RECREATION PROGRAMS.

(a) IN GENERAL.—Chapter 147 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2494. Uniform funding and management of morale, welfare, and recreation programs

''(a) AUTHORITY FOR UNIFORM FUNDING AND MANAGEMENT.—Under regulations prescribed by the Secretary of Defense, funds appropriated to the Department of Defense and available for morale, welfare, and recreation programs may be treated as nonappropriated funds and expended in accordance with laws applicable to the expenditures of nonappropriated funds. When made available for morale, welfare, and recreation programs under such regulations, appropriated funds shall be considered to be nonappropriated funds for all purposes and shall remain available until expended.

''(b) CONDITIONS ON AVAILABILITY.—Funds appropriated to the Department of Defense may be made available to support a morale, welfare, or recreation program only if the program is authorized to receive appropriated fund support and only in the amounts the program is authorized to receive.

''(c) CONVERSION OF EMPLOYMENT POSITIONS.—(1) The Secretary of Defense may identify positions of employees in morale, welfare, and recreation programs within the Department of Defense who are paid with appropriated funds whose status may be converted from the status of an employee paid with appropriated funds to the status of an employee of a nonappropriated fund instrumentality.

''(2) The status of an employee in a position identified by the Secretary under paragraph (1) may, with the consent of the employee, be converted to the status of an employee of a nonappropriated fund instrumentality. An employee who does not consent to the conversion may not be removed from the position because of the failure to provide such consent.

''(3) The conversion of an employee from the status of an employee paid by appropriated funds to the status of an employee of a nonappropriated fund instrumentality shall be without a break in service for the concerned employee. The conversion shall not entitle an employee to severance pay, back pay or separation pay under subchapter IX of chapter 55 of title 5, or be considered an involuntary separation or other adverse personnel action entitling an employee to any right or benefit under such title or any other provision of law or regulation.

''(4) In this subsection, the term 'an employee of a nonappropriated fund instrumentality' means an employee described in section 2105(c) of title 5.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2494. Uniform funding and management of morale, welfare, and recreation programs.''.

Subtitle D—Workplace and Depot Issues

SEC. 331. NOTIFICATION REQUIREMENTS IN CONNECTION WITH REQUIRED STUDIES FOR CONVERSION OF COMMERCIAL OR INDUSTRIAL TYPE FUNCTIONS TO CONTRACTOR PERFORMANCE.

Subsection (c) of section 2461 of title 10, United States Code, is amended to read as follows:

''(c) SUBMISSION OF ANALYSIS RESULTS.—(1) Upon the completion of an analysis of a commercial or industrial type function described in subsection (a) for possible change to performance by the private sector, the Secretary of Defense shall submit to Congress a

report containing the results of the analysis, including the results of the examinations required by subsection (b)(3).

''(2) The report shall also contain the following:

''(A) The date when the analysis of the function was commenced.

''(B) The Secretary's certification that the Government calculation of the cost of performance of the function by Department of Defense civilian employees is based on an estimate of the most cost effective manner for performance of the function by Department of Defense civilian employees.

''(C) The number of Department of Defense civilian employees who were performing the function when the analysis was commenced and the number of such employees whose employment was or will be terminated or otherwise affected by changing to performance of the function by the private sector or by implementation of the most efficient organization of the function.

''(D) The Secretary's certification that the factors considered in the examinations performed under subsection (b)(3), and in the making of the decision regarding changing to performance of the function by the private sector or retaining performance in the most efficient organization of the function, did not include any predetermined personnel constraint or limitation in terms of man years, end strength, full-time equivalent positions, or maximum number of employees.

''(E) A statement of the potential economic effect of implementing the decision regarding changing to performance of the function by the private sector or retaining performance in the most efficient organization of the function on each affected local community, as determined in the examination under subsection (b)(3)(B)(ii).

''(F) A schedule for completing the change to performance of the function by the private sector or implementing the most efficient organization of the function.

''(G) In the case of a commercial or industrial type function performed at a Center of Industrial and Technical Excellence designated under section 2474(a) of this title or an Army ammunition plant, a description of the effect that the manner of performance of the function, and administration of the resulting contract if any, will have on the overhead costs of the center or ammunition plant, as the case may be.

''(H) The Secretary's certification that the entire analysis is available for examination.

''(3)(A) If a decision is made to change the commercial or industrial type function that was the subject of the analysis to performance by the private sector, the change of the function to contractor performance may not begin until after the submission of the report required by paragraph (1).

''(B) Notwithstanding subparagraph (A), in the case of a commercial or industrial type function performed at a Center of Industrial and Technical Excellence designated under section 2474(a) of this title or an Army ammunition plant, the change of the function to contractor performance may not begin until at least 60 days after the submission of the report.''.

SEC. 332. WAIVER AUTHORITY REGARDING PROHIBITION ON CONTRACTS FOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS.

Section 2465 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(c) The Secretary of Defense or the Secretary of a military department may waive the prohibition under subsection (a) regarding contracting for the performance of security-guard functions at a military installation or facility under the jurisdiction of the Secretary if such functions—

''(1) are or will be performed by members of the armed forces in the absence of a waiver; or

''(2) were not performed at the installation or facility before September 11, 2001.''.

SEC. 333. EXCLUSION OF CERTAIN EXPENDITURES FROM PERCENTAGE LIMITATION ON CONTRACTING FOR PERFORMANCE OF DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS.

Section 2474(f)(2) of title 10, United States Code, is amended by striking ''for fiscal years 2002 through 2005''.

SEC. 334. REPEAL OF OBSOLETE PROVISION REGARDING DEPOT-LEVEL MAINTENANCE AND REPAIR WORKLOADS THAT WERE PERFORMED AT CLOSED OR REALIGNED MILITARY INSTALLATIONS.

(a) REPEAL.—Section 2469a of title 10, United States Code, is repealed.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 146 of such title is amended by striking the item relating to section 2469a.

SEC. 335. CLARIFICATION OF REQUIRED CORE LOGISTICS CAPABILITIES.

Section 2464(a)(3) of title 10, United States Code, is amended by striking ''those capabilities that are necessary to maintain and repair the weapon systems'' and inserting ''those logistics capabilities (including acquisition logistics, supply management, system engineering, maintenance, and modification management) that are necessary to sustain the weapon systems''.

Subtitle E—Defense Dependents Education

SEC. 341. ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES THAT BENEFIT DEPENDENTS OF MEMBERS OF THE ARMED FORCES AND DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEES.

(a) CONTINUATION OF DEPARTMENT OF DEFENSE PROGRAM FOR FISCAL YEAR 2003.—Of the amount authorized to be appropriated pursuant to section 301(5) for operation and maintenance for Defense-wide activities, $35,000,000 shall be available only for the purpose of providing educational agencies assistance to local educational agencies.

(b) NOTIFICATION.—Not later than June 30, 2003, the Secretary of Defense shall notify each local educational agency that is eligible for educational agencies assistance for fiscal year 2003 of—

(1) that agency's eligibility for the assistance; and

(2) the amount of the assistance for which that agency is eligible.

(c) DISBURSEMENT OF FUNDS.—The Secretary of Defense shall disburse funds made available under subsection (a) not later than 30 days after the date on which notification to the eligible local educational agencies is provided pursuant to subsection (b).

(d) DEFINITIONS.—In this section:

(1) The term ''educational agencies assistance'' means assistance authorized under section 386(b) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 20 U.S.C. 7703 note).

(2) The term ''local educational agency'' has the meaning given that term in section 8013(9) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7713(9)).

SEC. 342. AVAILABILITY OF QUARTERS ALLOWANCE FOR UNACCOMPANIED DEFENSE DEPARTMENT TEACHER REQUIRED TO RESIDE ON OVERSEAS MILITARY INSTALLATION.

(a) AUTHORITY TO PROVIDE ALLOWANCE.—Subsection (b) of section 7 of the Defense Department Overseas Teachers Pay and Personnel Practices Act (20 U.S.C. 905) is amended by adding at the end the following new sentence: ''If the teacher is unaccompanied by dependents and is required to reside on a United States military installation in an overseas area, the teacher may receive a quarters allowance to reside in excess family housing at the installation notwithstanding the availability single room housing at the installation.''.

(b) TECHNICAL CORRECTION TO REFLECT CODIFICATION.—Such section is further amended by striking ''the Act of June 26, 1930 (5 U.S.C. 118a)'' both places it appears and inserting ''section 5912 of title 5, United States Code''.

SEC. 343. PROVISION OF SUMMER SCHOOL PROGRAMS FOR STUDENTS WHO ATTEND DEFENSE DEPENDENTS' EDUCATION SYSTEM.

Section 1402(d) of the Defense Dependents' Education Act of 1978 (20 U.S.C. 921(d)) is amended by striking paragraph (2) and inserting the following new paragraph (2):

''(2) Individuals eligible to receive a free public education under subsection (a) may enroll without charge in a summer school program offered under this subsection. Students who are required under section 1404 to pay tuition to enroll in a school of the defense dependents' education system shall also be charged a fee, at a rate established by the Secretary, to attend a course offered as part of the summer school program.''.

Subtitle F—Information Technology

SEC. 351. AUTHORIZED DURATION OF BASE CONTRACT FOR NAVY-MARINE CORPS INTRANET.

Section 814 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398 (114 Stat. 1654A–215) and amended by section 362 of Public Law 107–107 (115 Stat. 1065), is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) DURATION OF BASE NAVY-MARINE CORPS INTRANET CONTRACT.—Notwithstanding section 2306c of title 10, United States Code, the base contract of the Navy-Marine Corps Intranet contract may have a term in excess of five years, but not more than seven years.''.

SEC. 352. ANNUAL SUBMISSION OF INFORMATION ON NATIONAL SECURITY AND INFORMATION TECHNOLOGY CAPITAL ASSETS.

(a) REQUIREMENT TO SUBMIT INFORMATION.—Not later than the date that the President submits the budget of the United States Government to Congress each year, the Secretary of Defense shall submit to Congress a description of, and relevant budget information on, each information technology and national security capital asset of the Department of Defense that—

(1) has an estimated life cycle cost (as computed in fiscal year 2003 constant dollars), in excess of $120,000,000; and

(2) has a cost for the fiscal year in which the description is submitted (as computed in fiscal year 2003 constant dollars) in excess of $30,000,000.

(b) INFORMATION TO BE INCLUDED.—The description submitted under subsection (a) shall include, with respect to each such capital asset and national security system—

(1) the name and identifying acronym;

(2) the date of initiation;

(3) a summary of performance measurements and metrics;

(4) the total amount of funds, by appropriation account, appropriated and obligated for prior fiscal years, with a specific breakout of such information for the two preceding fiscal years;

(5) the funds, by appropriation account, requested for that fiscal year;

(6) each prime contractor and the work to be performed;

(7) a description of program management and management oversight;

(8) the original baseline cost and most current baseline information; and

(9) a description of compliance with the provisions enacted in the Government Performance Results Act of 1993 (Public Law 103–62; 107 Stat. 285) and the Clinger–Cohen Act of 1996 (division D of Public Law 104–106; 110 Stat. 642).

(c) ADDITIONAL INFORMATION TO BE INCLUDED FOR CERTAIN SYSTEMS.—(1) For each information technology and national security system of the Department of Defense that has a cost for the fiscal year in excess of $2,000,000, the Secretary shall identify that system by name, function, and total funds requested for the system.

(2) For each information technology and national security system of the Department of Defense that has a cost for the fiscal year in excess of $10,000,000, the Secretary shall identify that system by name, function, and total funds requested (by appropriation account) for that fiscal year, the funds appropriated for the preceding fiscal year, and the funds estimated to be requested for the next fiscal year.

(d) DEFINITIONS.—In this section:

(1) The term ''information technology'' has the meaning given that term in section 5002 of the Clinger–Cohen Act of 1996 (40 U.S.C. 1401(3)).

(2) The term ''capital asset'' has the meaning given that term in Office of Management and Budget Circular A–11.

(3) The term ''national security system'' has the meaning given that term in section 5142 of the Clinger–Cohen Act of 1996 (40 U.S.C. 1452).

SEC. 353. IMPLEMENTATION OF POLICY REGARDING CERTAIN COMMERCIAL OFF-THE-SHELF INFORMATION TECHNOLOGY PRODUCTS.

The Secretary of Defense shall ensure that—

(1) the Department of Defense implements the policy established by the Committee on National Security Systems (formerly the National Security Telecommunications and Information Systems Security Committee) that limits the acquisition by the Federal Government of all commercial off-the-shelf information assurance and information assurance-enabled information technology products to those products that have been evaluated and validated in accordance with appropriate criteria, schemes, or programs; and

(2) implementation of such policy includes uniform enforcement procedures.

SEC. 354. INSTALLATION AND CONNECTION POLICY AND PROCEDURES REGARDING DEFENSE SWITCH NETWORK.

(a) ESTABLISHMENT OF POLICY AND PROCEDURES.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall establish clear and uniform policy and procedures, applicable to the military departments and Defense Agencies, regarding the installation and connection of telecom switches to the Defense Switch Network.

(b) ELEMENTS OF POLICY AND PROCEDURES.—The policy and procedures shall address at a minimum the following:

(1) Clear interoperability and compatibility requirements for certifying, installing, and connecting telecom switches to the Defense Switch Network.

(2) Current, complete, and enforceable testing, validation, and certification procedures needed to ensure the interoperability and compatibility requirements are satisfied.

(c) EXCEPTIONS.—(1) The Secretary of Defense may specify certain circumstances in which—

(A) the requirements for testing, validation, and certification of telecom switches may be waived; or

(B) interim authority for the installation and connection of telecom switches to the Defense Switch Network may be granted.

(2) Only the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence, after consultation with the Chairman of the Joint Chiefs of Staff, may approve a waiver or grant of interim authority under paragraph (1).

(d) INVENTORY OF DEFENSE SWITCH NETWORK.—The Secretary of Defense shall prepare and maintain an inventory of all telecom switches that, as of the date on which the Secretary issues the policy and procedures—

(1) are installed or connected to the Defense Switch Network; but

(2) have not been tested, validated, and certified by the Defense Information Systems Agency (Joint Interoperability Test Center).

(e) TELECOM SWITCH DEFINED.—In this section, the term ''telecom switch'' means hardware or software designed to send and receive voice, data, and video signals across a network.

Subtitle G—Other Matters

SEC. 361. DISTRIBUTION OF MONTHLY REPORTS ON ALLOCATION OF FUNDS WITHIN OPERATION AND MAINTENANCE BUDGET SUBACTIVITIES.

(a) DESIGNATION OF RECIPIENTS.—Subsection (a) of section 228 of title 10, United States Code, is amended by striking ''to Congress'' and inserting ''to the congressional defense committees''.

(b) CONGRESSIONAL DEFENSE COMMITTEES DEFINED.—Subsection (e) of such section is amended—

(1) by striking ''(e) O&M BUDGET ACTIVITY DEFINED.—For purposes of this section, the'' and inserting the following:

''(e) DEFINITIONS.—In this section:

''(1) The''; and

(2) by adding at the end the following:

''(2) The term 'congressional defense committees' means the Committee on Armed Services and the Committee on Appropriations of the Senate and the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.''.

SEC. 362. MINIMUM DEDUCTION FROM PAY OF CERTAIN MEMBERS OF THE ARMED FORCES TO SUPPORT ARMED FORCES RETIREMENT HOME.

Section 1007(i) of title 37, United States Code, is amended—

(1) in paragraph (1), by striking ''an amount (determined under paragraph (3)) not to exceed $1.00.'' and inserting ''an amount equal to $1.00 and such additional amount as may be determined under paragraph (3).''; and

(2) in paragraph (3)—

(A) by striking ''the amount'' in the first sentence and inserting ''the additional amount''; and

(B) by striking ''The amount'' in the second sentence and inserting ''The additional amount''.

SEC. 363. CONDITION ON CONVERSION OF DEFENSE SECURITY SERVICE TO A WORKING CAPITAL FUNDED ENTITY.

The Secretary of Defense may not convert the Defense Security Service to a working capital funded entity of the Department of Defense unless the Secretary submits, in advance, to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate a certification that the Defense Security Service has the financial systems in place to fully support operation of the Defense Security Service as a working capital funded entity under section 2208 of title 10, United States Code.

SEC. 364. CONTINUATION OF ARSENAL SUPPORT PROGRAM INITIATIVE.

(a) EXTENSION THROUGH FISCAL YEAR 2004.—Subsection (a) of section 343 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–65) is amended by striking ''and 2002'' and inserting ''through 2004''.

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

(1) in paragraph (1), by striking ''2002'' and inserting ''2004''; and

(2) in paragraph (2), by striking the first sentence and inserting the following new sentence: ''Not later than July 1, 2003, the Secretary of the Army shall submit to the congressional defense committees a report on the results of the demonstration program since its implementation, including the Secretary's views regarding the benefits of the program for Army manufacturing arsenals and the Department of the Army and the success of the program in achieving the purposes specified in subsection (b).''.

SEC. 365. TRAINING RANGE SUSTAINMENT PLAN, GLOBAL STATUS OF RESOURCES AND TRAINING SYSTEM, AND TRAINING RANGE INVENTORY.

(a) PLAN REQUIRED.—(1) The Secretary of Defense shall develop a comprehensive plan for using existing authorities available to the Secretary of Defense and the Secretaries of the military departments to address problems created by limitations on the use of military lands, marine areas, and airspace reserved, withdrawn, or designated for training and testing activities by, for, or on behalf of the Armed Forces.

(2) The plan shall include the following:

(A) Goals and milestones for tracking planned actions and measuring progress.

(B) Projected funding requirements for implementing planned actions.

(C) Designation of an office in the Office of the Secretary of Defense and each of the military departments that will have lead responsibility for overseeing implementation of the plan.

(3) The Secretary of Defense shall submit the plan to Congress at the same time as the President submits the budget for fiscal year 2004 and shall submit an annual report to Congress describing the progress made in implementing the plan and any additional encroachment problems.

(b) READINESS REPORTING IMPROVEMENT.—Not later than June 30, 2003, the Secretary of Defense, using existing measures within the authority of the Secretary, shall submit to Congress a report on the plans of the Department of Defense to improve the Global Status of Resources and Training System—

(1) to better reflect the increasing challenges units of the Armed Forces must overcome to achieve training requirements; and

(2) to quantify the extent to which encroachment and other individual factors are making military lands, marine areas, and airspace less available to support unit accomplishment of training plans and readiness goals.

(c) TRAINING RANGE INVENTORY.—The Secretary of Defense shall develop and maintain a training range data bank for each of the Armed Forces—

(1) to identify all available operational training ranges;

(2) to identify all training capacities and capabilities available at each training range;

(3) to identify all current encroachment threats or other potential limitations on training that are, or are likely to, adversely affect training and readiness; and

(4) to provide a point of contact for each training range.

(d) GAO EVALUATION.—(1) With respect to each report submitted under this section, the

Comptroller General shall submit to Congress, within 60 days after receiving the report, an evaluation of the report.

(e) ARMED FORCES DEFINED.—In this section, the term ''Armed Forces'' means the Army, Navy, Air Force, and Marine Corps.

SEC. 366. AMENDMENTS TO CERTAIN EDUCATION AND NUTRITION LAWS RELATING TO ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—Section 8003(b)(2) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703(b)(2)) is amended by adding at the end the following:

''(H) ELIGIBILITY FOR HEAVILY IMPACTED LOCAL EDUCATIONAL AGENCIES AFFECTED BY PRIVATIZATION OF MILITARY HOUSING.—

''(i) ELIGIBILITY.—For any fiscal year beginning with fiscal year 2003, a heavily impacted local educational agency that received a basic support payment under subparagraph (A) for the prior fiscal year, but is ineligible for such payment for the current fiscal year under subparagraph (B) or (C), as the case may be, by reason of the conversion of military housing units to private housing described in clause (iii), shall be deemed to meet the eligibility requirements under subparagraph (B) or (C), as the case may be, for the period during which the housing units are undergoing such conversion.

''(ii) AMOUNT OF PAYMENT.—The amount of a payment to a heavily impacted local educational agency for a fiscal year by reason of the application of clause (i), and calculated in accordance with subparagraph (D) or (E) (as the case may be), shall be based on the number of children in average daily attendance in the schools of such agency for the fiscal year.

''(iii) CONVERSION OF MILITARY HOUSING UNITS TO PRIVATE HOUSING DESCRIBED.—For purposes of clause (i), 'conversion of military housing units to private housing' means the conversion of military housing units to private housing units pursuant to subchapter IV of chapter 169 of title 10, United States Code, or pursuant to any other related provision of law.''.

(b) EXCLUSION OF CERTAIN MILITARY BASIC ALLOWANCES FOR HOUSING FOR DETERMINATION OF ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.—Section 9(b)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(3)) is amended by adding at the end the following: ''For the one-year period beginning on the date of the enactment of this sentence, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of an individual who is a member of the uniformed services for housing that is acquired or constructed under the authority of subchapter IV of chapter 169 of title 10, United States Code, or any other related provision of law, shall not be considered to be income for purposes of determining the eligibility of a child of the individual for free or reduced price lunches under this Act.''.

TITLE IV—MILITARY PERSONNEL AUTHORIZATIONS

Subtitle A—Active Forces

SEC. 401. END STRENGTHS FOR ACTIVE FORCES.

The Armed Forces are authorized strengths for active duty personnel as of September 30, 2003, as follows:

(1) The Army, 484,800.

(2) The Navy, 379,457.

(3) The Marine Corps, 175,000.

(4) The Air Force, 360,795.

SEC. 402. REVISION IN PERMANENT END STRENGTH MINIMUM LEVELS.

(a) REVISED END STRENGTH FLOORS.—Section 691(b) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking ''480,000'' and inserting ''484,800'';

(2) in paragraph (2), by striking ''376,000'' and inserting ''379,457';

(3) in paragraph (3), by striking ''172,600'' and inserting ''175,000''; and

(4) in paragraph (4), by striking ''358,800'' and inserting ''360,795''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2002, or the date of the enactment of this Act, whichever is later.

SEC. 403. AUTHORITY FOR MILITARY DEPARTMENT SECRETARIES TO INCREASE ACTIVE-DUTY END STRENGTHS BY UP TO 1 PERCENT.

(a) SERVICE SECRETARY AUTHORITY.—Section 115 of title 10, United States Code, is amended by inserting after subsection (e) the following new subsection:

''(f) Upon determination by the Secretary of a military department that such action would enhance manning and readiness in essential units or in critical specialties or ratings, the Secretary may increase the end strength authorized pursuant to subsection (a)(1)(A) for a fiscal year for the armed force under the jurisdiction of that Secretary or, in the case of the Secretary of the Navy, for any of the armed forces under the jurisdiction of that Secretary. Any such increase for a fiscal year—

''(1) shall be by a number equal to not more than 1 percent of such authorized end strength; and

''(2) shall be counted as part of the increase for that armed force for that fiscal year authorized under subsection (c)(1).''.

(b) EFFECTIVE DATE.—Subsection (f) of section 115 of title 10, United States Code, as added by subsection (a), shall take effect on October 1, 2002, or the date of the enactment of this Act, whichever is later.

SEC. 404. GENERAL AND FLAG OFFICER MANAGEMENT.

(a) EXCLUSION OF SENIOR MILITARY ASSISTANT TO THE SECRETARY OF DEFENSE FROM LIMITATION ON ACTIVE DUTY OFFICERS IN GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL.—Effective on the date specified in subsection (e), section 525(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(8) An officer while serving in a position designated by the Secretary of Defense as Senior Military Assistant to the Secretary of Defense, if serving in the grade of lieutenant general or vice admiral, is in addition to the number that otherwise would be permitted for that officer's armed force for that grade under paragraph (1) or (2). Only one officer may be designated as Senior Military Assistant to the Secretary of Defense for purposes of this paragraph.''.

(b) INCREASE IN NUMBER OF LIEUTENANT GENERALS AUTHORIZED FOR THE MARINE CORPS.—Effective on the date specified in subsection (e), paragraph (2)(B) of such section is amended by striking ''16.2 percent'' and inserting ''17.5 percent''.

(c) GRADE OF CHIEF OF VETERINARY CORPS OF THE ARMY.—(1) Effective on the date specified in subsection (e), chapter 307 of such title is amended by adding at the end the following new section:

''§ 3084. Chief of Veterinary Corps: grade

''The Chief of the Veterinary Corps of the Army serves in the grade of brigadier general. An officer appointed to that position who holds a lower grade shall be appointed in the grade of brigadier general.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''3084. Chief of Veterinary Corps: grade.''.

(d) REVIEW OF ACTIVE DUTY AND RESERVE GENERAL AND FLAG OFFICER AUTHORIZATIONS.—(1) The Secretary of Defense shall submit to Congress a report containing any recommendations of the Secretary (together with the rationale of the Secretary for the recommendations) concerning the following:

(A) Revision of the limitations on general and flag officer grade authorizations and distribution in grade prescribed by sections 525, 526, and 12004 of title 10, United States Code.

(B) Statutory designation of the positions and grades of any additional general and flag officers in the commands specified in chapter 1006 of title 10, United States Code, and the reserve component offices specified in sections 3038, 5143, 5144, and 8038 of such title.

(2) The provisions of subsection (b) through (e) of section 1213 of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2694) shall apply to the report under paragraph (1) in the same manner as they applied to the report required by subsection (a) of that section.

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall take effect on the date of the receipt by Congress of the report required by subsection (d).

SEC. 405. EXTENSION OF CERTAIN AUTHORITIES RELATING TO MANAGEMENT OF NUMBERS OF GENERAL AND FLAG OFFICERS IN CERTAIN GRADES.

(a) SENIOR JOINT OFFICER POSITIONS.—Section 604(c) of title 10, United States Code, is amended by striking ''September 30, 2003'' and inserting ''December 31, 2004''.

(b) DISTRIBUTION OF OFFICERS ON ACTIVE DUTY IN GENERAL AND FLAG OFFICER GRADES.—Section 525(b)(5)(C) of such title is amended by striking ''September 30, 2003'' and inserting ''December 31, 2004''.

(c) AUTHORIZED STRENGTH FOR GENERAL AND FLAG OFFICERS ON ACTIVE DUTY.—Section 526(b)(3) of such title is amended by striking ''October 1, 2002'' and inserting ''December 31, 2004''.

Subtitle B—Reserve Forces

SEC. 411. END STRENGTHS FOR SELECTED RESERVE.

(a) IN GENERAL.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 2003, as follows:

(1) The Army National Guard of the United States, 350,000.

(2) The Army Reserve, 205,000.

(3) The Naval Reserve, 87,800.

(4) The Marine Corps Reserve, 39,558.

(5) The Air National Guard of the United States, 106,600.

(6) The Air Force Reserve, 75,600.

(7) The Coast Guard Reserve, 9,000.

(b) ADJUSTMENTS.—The end strengths prescribed by subsection (a) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strengths of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES.

Within the end strengths prescribed in section 411(a), the reserve components of the Armed Forces are authorized, as of September 30, 2003, the following number of Reserves to be serving on full-time active duty or full-time duty, in the case of members of the National Guard, for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 24,562.

(2) The Army Reserve, 14,070.

(3) The Naval Reserve, 14,572.

(4) The Marine Corps Reserve, 2,261.

(5) The Air National Guard of the United States, 11,697.

(6) The Air Force Reserve, 1,498.

SEC. 413. END STRENGTHS FOR MILITARY TECHNICIANS (DUAL STATUS).

The minimum number of military technicians (dual status) as of the last day of fiscal year 2003 for the reserve components of the Army and the Air Force (notwithstanding section 129 of title 10, United States Code) shall be the following:

(1) For the Army National Guard of the United States, 24,102.

(2) For the Army Reserve, 6,599.

(3) For the Air National Guard of the United States, 22,495.

(4) For the Air Force Reserve, 9,911.

SEC. 414. FISCAL YEAR 2003 LIMITATION ON NON-DUAL STATUS TECHNICIANS.

(a) ARMY.—The number of non-dual status technicians employed by the reserve components of the Army as of September 30, 2003, may not exceed the following:

(1) For the Army Reserve, 995.

(2) For the Army National Guard of the United States, 1,600, to be counted within the limitation specified in section 10217(c)(2) of title 10, United States Code.

(b) AIR FORCE.—The number of non-dual status technicians employed by the reserve components of the Army and the Air Force as of September 30, 2003, may not exceed the following:

(1) For the Air Force Reserve, 90.

(2) For the Air National Guard of the United States, 350, to be counted within the limitation specified in section 10217(c)(2) of title 10, United States Code.

(c) NON-DUAL STATUS TECHNICIANS DEFINED.—In this section, the term ''non-dual status technician'' has the meaning given that term in section 10217(a) of title 10, United States Code.

(d) TECHNICAL AMENDMENTS.—Effective October 1, 2002, section 10217(c)(2) of title 10, United States Code, is amended—

(1) in the first sentence, by striking ''Effective October 1, 2002, the'' and inserting ''The''; and

(2) in the second sentence, by striking ''after the preceding sentence takes effect''.

Subtitle C—Authorization of Appropriations

SEC. 421. AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel for fiscal year 2003 a total of $93,725,028,000. The authorization in the preceding sentence supersedes any other authorization of appropriations (definite or indefinite) for such purpose for fiscal year 2003.

TITLE V—MILITARY PERSONNEL POLICY

SEC. 501. INCREASE IN NUMBER OF DEPUTY COMMANDANTS OF THE MARINE CORPS.

Section 5045 of title 10, United States Code, is amended by striking ''five'' and inserting ''six''.

SEC. 502. EXTENSION OF GOOD-OF-THE-SERVICE WAIVER AUTHORITY FOR OFFICERS APPOINTED TO A RESERVE CHIEF OR GUARD DIRECTOR POSITION.

(a) WAIVER OF REQUIREMENT FOR SIGNIFICANT JOINT DUTY EXPERIENCE.—Sections 3038(b)(4), 5143(b)(4), 5144(b)(4), 8038(b)(4), and 10506(a)(3)(D) of title 10, United States Code, are each amended by striking ''October 1, 2003'' and inserting ''December 31, 2004''.

(b) REPORT ON FUTURE IMPLEMENTATION OF REQUIREMENT.—Not later than one year after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report setting forth the steps being taken (and proposed to be taken) by the Secretary, the Secretaries of the military departments, and the Chairman of the Joint Chiefs of Staff to ensure that no further extension of the waiver authority under the sections amended by subsection (a) is required and that after December 31, 2004, appointment of officers to serve in the positions covered by those sections shall be made from officers with the requisite joint duty experience.

Subtitle B—Reserve Component Management

SEC. 511. REVIEWS OF NATIONAL GUARD STRENGTH ACCOUNTING AND MANAGEMENT AND OTHER ISSUES.

(a) COMPTROLLER GENERAL ASSESSMENTS.—Not later than one year after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on management of the National Guard. The report shall include the following:

(1) The Comptroller General's assessment of the effectiveness of the implementation of Department of Defense plans for improving management and accounting for personnel strengths in the National Guard, including an assessment of the process that the Department of Defense, the National Guard Bureau, the Army National Guard and State-level National Guard leadership, and leadership in the other reserve components have for identifying and addressing in a timely manner specific units in which nonparticipation rates are significantly in excess of the established norms.

(2) The Comptroller General's assessment of the effectiveness of the process for Federal recognition of senior National Guard officers and recommendations for improvement to that process.

(3) The Comptroller General's assessment of the process for, and the nature and extent of, the administrative or judicial corrective action taken by the Secretary of Defense, the Secretary of the Army, and the Secretary of the Air Force as a result of Inspector General investigations or other investigations in which allegations against senior National Guard officers are substantiated in whole or in part.

(4) The Comptroller General's determination of the effectiveness of the Federal protections provided for members or employees of the National Guard who report allegations of waste, fraud, abuse, or mismanagement and the nature and extent to which corrective action is taken against those in the National Guard who retaliate against such members or employees.

(b) SECRETARY OF DEFENSE REPORT ON DIFFERENT ARMY AND AIR FORCE PROCEDURES.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the differing Army and Air Force policies for taking adverse administrative actions against National Guard officers in a State status. The report shall include the Secretary's determination as to whether changes should be made in those policies, especially through requiring the Air Force to adopt the same policy as the Army for such administrative actions.

SEC. 512. COURTS-MARTIAL FOR THE NATIONAL GUARD WHEN NOT IN FEDERAL SERVICE.

(a) MANNER OF PRESCRIBING PUNISHMENTS.—Section 326 of title 32, United States Code, is amended by adding at the end the following new sentence: ''Punishments shall be as provided by the laws of the respective States and Territories, Puerto Rico, and the District of Columbia.''.

(b) CONVENING AUTHORITY.—Section 327 of such title is amended to read as follows:

''§ 327. Courts-martial of National Guard not in Federal service: convening authority

''(a) In the National Guard not in Federal service, general, special, and summary courts-martial may be convened as provided by the laws of the States and Territories, Puerto Rico, and the District of Columbia.

''(b) In addition to convening authorities as provided under subsection (a), in the National Guard not in Federal service—

''(1) general courts-martial may be convened by the President;

''(2) special courts-martial may be convened—

''(A) by the commanding officer of a garrison, fort, post, camp, air base, auxiliary air base, or other place where troops are on duty; or

''(B) by the commanding officer of a division, brigade, regiment, wing, group, detached battalion, separate squadron, or other detached command; and

''(3) summary courts-martial may be convened—

''(A) by the commanding officer of a garrison, fort, post, camp, air base, auxiliary air base, or other place where troops are on duty; or

''(B) by the commanding officer of a division, brigade, regiment, wing, group, detached battalion, detached squadron, detached company, or other detachment.''.

(2) The item relating to such section in the table of sections at the beginning of chapter 3 of such title is amended to read as follows:

''327. Courts-martial of National Guard not in Federal service: convening authority.''.

(c) REPEAL OF SUPERSEDED AND OBSOLETE PROVISIONS.—

(1) Sections 328, 329, 330, 331, 332, and 333 of title 32, United States Code, are repealed.

(2) The table of sections at the beginning of chapter 3 of such title is amended by striking the items relating to sections 328, 329, 330, 331, 332, and 333.

(d) PREPARATION OF MODEL STATE CODE OF MILITARY JUSTICE AND MODEL STATE MANUAL FOR COURTS-MARTIAL.—(1) The Secretary of Defense shall prepare, for consideration for enactment by the States, a model State code of military justice and a model State manual of courts-martial for use with respect to the National Guard not in Federal service. Both such models shall be consistent with the recommendations contained in the report, issued in 1998, by the panel known as the Department of Defense Panel to Study Military Justice in the National Guard not in Federal Service.

(2) The Secretary shall ensure that adequate support for the preparation of such model State code and model State manual (including the detailing of attorneys and other staff) is provided by the General Counsel of the Department of Defense, the Secretary of the Army, the Secretary of the Air Force, and the Chief of the National Guard Bureau.

(3) If the amounts available to the Chief of the National Guard Bureau are not adequate for the costs required to provide support under paragraph (2) (including costs for increased pay when members of the National

Guard are ordered to active duty, cost of detailed attorneys and other staff, allowances, and travel expenses), the Secretary shall, upon request of the Chief of the Bureau, provide such additional amounts as are necessary.

(4) Not later than one year after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the implementation of this subsection. The report shall include proposals in final form of both the model State code and the model State manual required by paragraph (1) and shall set forth the efforts being made to present those proposals to the States for their consideration for enactment.

(5) In this subsection, the term ''State'' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and Guam.

SEC. 513. MATCHING FUNDS REQUIREMENTS UNDER NATIONAL GUARD YOUTH CHALLENGE PROGRAM.

Effective October 1, 2002, subsection (d) of section 509 of title 32, United States Code, is amended to read as follows:

''(d) MATCHING FUNDS REQUIRED.—The amount of assistance provided under this section to a State program of the National Guard Challenge Program for a fiscal year may not exceed 75 percent of the costs of operating the State program during that fiscal year.''.

Subtitle C—Reserve Component Officer Personnel Policy

SEC. 521. EXEMPTION FROM ACTIVE STATUS STRENGTH LIMITATION FOR RESERVE COMPONENT GENERAL AND FLAG OFFICERS SERVING ON ACTIVE DUTY IN CERTAIN JOINT DUTY ASSIGNMENTS DESIGNATED BY THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF.

Section 12004 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f)(1) A general or flag officer who is on active duty but who is not counted under section 526(a) of this title by reason of section 526(b)(2)(B) of this title shall also be excluded from being counted under subsection (a).

''(2) This subsection shall cease to be effective on the date specified in section 526(b)(3) of this title.''.

SEC. 522. ELIGIBILITY FOR CONSIDERATION FOR PROMOTION TO GRADE OF MAJOR GENERAL FOR CERTAIN RESERVE COMPONENT BRIGADIER GENERALS WHO DO NOT OTHERWISE QUALIFY FOR CONSIDERATION FOR PROMOTION UNDER THE ONE-YEAR RULE.

Section 14301(g) of title 10, United States Code, is amended to read as follows:

''(g) BRIGADIER GENERALS.—(1) An officer who is a reserve component brigadier general of the Army or the Air Force who is not eligible for consideration for promotion under subsection (a) because the officer is not on the reserve active status list (as required by paragraph (1) of that subsection for such eligibility) is nevertheless eligible for consideration for promotion to the grade of major general by a promotion board convened under section 14101(a) of this title if—

''(A) as of the date of the convening of the promotion board, the officer has been in an inactive status for less than one year; and

''(B) immediately before the date of the officer's most recent transfer to an inactive status, the officer had continuously served on the reserve active status list or the active-duty list (or a combination of the reserve active status list and the active-duty list) for at least one year.

''(2) An officer who is a reserve component brigadier general of the Army or the Air Force who is on the reserve active status list but who is not eligible for consideration for promotion under subsection (a) because the officer's service does not meet the one-year-of-continuous-service requirement under paragraph (2) of that subsection is nevertheless eligible for consideration for promotion to the grade of major general by a promotion board convened under section 14101(a) of this title if—

''(A) the officer was transferred from an inactive status to the reserve active status list during the one-year period preceding the date of the convening of the promotion board;

''(B) immediately before the date of the officer's most recent transfer to an active status, the officer had been in an inactive status for less than one year; and

''(C) immediately before the date of the officer's most recent transfer to an inactive status, the officer had continuously served for at least one year on the reserve active status list or the active-duty list (or a combination of the reserve active status list and the active-duty list).''.

SEC. 523. RETENTION OF PROMOTION ELIGIBILITY FOR RESERVE COMPONENT GENERAL AND FLAG OFFICERS TRANSFERRED TO AN INACTIVE STATUS.

Section 14317 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(f) EFFECT OF TRANSFER OF OFFICERS IN PAY GRADE O–7 TO INACTIVE STATUS.—Notwithstanding subsection (a), if a reserve officer on the active-status list in the grade of brigadier general or rear admiral (lower half) is transferred to an inactive status after having been recommended for promotion to the grade of major general or rear admiral under this chapter, or after having been found qualified for Federal recognition in the grade of major general under title 32, but before being promoted, the officer shall retain promotion eligibility and, if otherwise qualified, may be promoted to the higher grade after returning to an active status.''.

SEC. 524. AUTHORITY FOR LIMITED EXTENSION OF MEDICAL DEFERMENT OF MANDATORY RETIREMENT OR SEPARATION FOR RESERVE OFFICERS.

(a) DEFERMENT OF RETIREMENT OR SEPARATION FOR MEDICAL REASONS.—Chapter 1407 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 14519. Deferment of retirement or separation for medical reasons

''(a) If the Secretary of the military department concerned determines that the evaluation of the physical condition of a Reserve officer and determination of the officer's entitlement to retirement or separation for physical disability require hospitalization or medical observation and that such hospitalization or medical observation cannot be completed with confidence in a manner consistent with the officer's well-being before the date on which the officer would otherwise be required to be separated, retired, or transferred to the Retired Reserve under this title, the Secretary may defer the separation, retirement, or transfer of the officer under this title.

''(b) A deferral under subsection (a) of separation, retirement, or transfer to the Retired Reserve may not extend for more than 30 days after completion of the evaluation requiring hospitalization or medical observation.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''14519. Deferment of retirement or separation for medical reasons.''.

Subtitle D—Education and Training

SEC. 531. AUTHORITY FOR PHASED INCREASE TO 4,400 IN AUTHORIZED STRENGTHS FOR THE SERVICE ACADEMIES.

(a) MILITARY ACADEMY.—Section 4342 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end of the first sentence the following: ''or such higher number as may be prescribed by the Secretary of the Army under subsection (j)''; and

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

''(j)(1) Beginning with the 2003–2004 academic year, the Secretary of the Army may prescribe annual increases in the cadet strength limit in effect under subsection (a). For any academic year, any such increase shall be by no more than 100 cadets or such lesser number as applies under paragraph (3) for that year. Such annual increases may be prescribed until the cadet strength limit is 4,400. However, no increase may be prescribed for any academic year after the 2007–2008 academic year.

''(2) Any increase in the cadet strength limit under paragraph (1) with respect to an academic year shall be prescribed not later than the date on which the budget of the President is submitted to Congress under section 1105 of title 31 for the fiscal year beginning in the same year as the year in which that academic year begins. Whenever the Secretary prescribes such an increase, the Secretary shall submit to Congress a notice in writing of the increase. The notice shall state the amount of the increase in the cadet strength limit and the new cadet strength limit, as so increased, and the amount of the increase in Senior Army Reserve Officers' Training Corps enrollment under each of sections 2104 and 2107 of this title.

''(3) The amount of an increase under paragraph (1) in the cadet strength limit for an academic year may not exceed the increase (if any) for the preceding academic year in the total number of cadets enrolled in the Army Senior Reserve Officers' Training Corps program under chapter 103 of this title who have entered into an agreement under section 2104 or 2107 of this title.

''(4) In this subsection, the term 'cadet strength limit' means the authorized maximum strength of the Corps of Cadets of the Academy.''.

(b) NAVAL ACADEMY.—Section 6954 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end of the first sentence the following: ''or such higher number as may be prescribed by the Secretary of the Navy under subsection (h)''; and

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

''(h)(1) Beginning with the 2003–2004 academic year, the Secretary of the Navy may prescribe annual increases in the midshipmen strength limit in effect under subsection (a). For any academic year, any such increase shall be by no more than 100 midshipmen or such lesser number as applies under paragraph (3) for that year. Such annual increases may be prescribed until the midshipmen strength limit is 4,400. However, no increase may be prescribed for any academic year after the 2007–2008 academic year.

''(2) Any increase in the midshipmen strength limit under paragraph (1) with respect to an academic year shall be prescribed not later than the date on which the budget of the President is submitted to Congress under section 1105 of title 31 for the fiscal year beginning in the same year as the year in which that academic year begins. Whenever the Secretary prescribes such an increase, the Secretary shall submit to Congress a notice in writing of the increase. The

notice shall state the amount of the increase in the midshipmen strength limit and the new midshipmen strength limit, as so increased, and the amount of the increase in Senior Navy Reserve Officers' Training Corps enrollment under each of sections 2104 and 2107 of this title.

''(3) The amount of an increase under paragraph (1) in the midshipmen strength limit for an academic year may not exceed the increase (if any) for the preceding academic year in the total number of midshipmen enrolled in the Navy Senior Reserve Officers' Training Corps program under chapter 103 of this title who have entered into an agreement under section 2104 or 2107 of this title.

''(4) In this subsection, the term 'midshipmen strength limit' means the authorized maximum strength of the Brigade of Midshipmen.''.

(c) AIR FORCE ACADEMY.—Section 9342 of title 10, United States Code, is amended—

(1) in subsection (a), by inserting before the period at the end of the first sentence the following: ''or such higher number as may be prescribed by the Secretary of the Air Force under subsection (j)''; and

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

''(j)(1) Beginning with the 2003–2004 academic year, the Secretary of the Air Force may prescribe annual increases in the cadet strength limit in effect under subsection (a). For any academic year, any such increase shall be by no more than 100 cadets or such lesser number as applies under paragraph (3) for that year. Such annual increases may be prescribed until the cadet strength limit is 4,400. However, no increase may be prescribed for any academic year after the 2007–2008 academic year.

''(2) Any increase in the cadet strength limit under paragraph (1) with respect to an academic year shall be prescribed not later than the date on which the budget of the President is submitted to Congress under sections 1105 of title 31 for the fiscal year beginning in the same year as the year in which that academic year begins. Whenever the Secretary prescribes such an increase, the Secretary shall submit to Congress a notice in writing of the increase. The notice shall state the amount of the increase in the cadet strength limit and the new cadet strength limit, as so increased, and the amount of the increase in Senior Air Force Reserve Officers' Training Corps enrollment under each of sections 2104 and 2107 of this title.

''(3) The amount of an increase under paragraph (1) in the cadet strength limit for an academic year may not exceed the increase (if any) for the preceding academic year in the total number of cadets enrolled in the Air Force Senior Reserve Officers' Training Corps program under chapter 103 of this title who have entered into an agreement under section 2104 or 2107 of this title.

''(4) In this subsection, the term 'cadet strength limit' means the authorized maximum strength of Air Force Cadets of the Academy.''.

(d) TARGET FOR INCREASES IN NUMBER OF ROTC SCHOLARSHIP PARTICIPANTS.—Section 2107 of such title is amended by adding at the end the following new subsection:

''(i) The Secretary of each military department shall seek to achieve an increase in the number of agreements entered into under this section so as to achieve an increase, by the 2006–2007 academic year, of not less than 400 in the number of cadets or midshipmen, as the case may be, enrolled under this section, compared to such number enrolled for the 2002–2003 academic year. In the case of the Secretary of the Navy, the Secretary shall seek to ensure that not less than one-third of such increase in agreements under this section are with students enrolled (or seeking to enroll) in programs of study leading to a baccalaureate degree in nuclear engineering or another appropriate technical, scientific, or engineering field of study.''.

(e) REPEAL OF LIMIT ON NUMBER OF ROTC SCHOLARSHIPS.—Section 2107 of such title is further amended by striking the first sentence of subsection (h)(1).

(f) REPEAL OF OBSOLETE LANGUAGE.—Section 4342(i) of such title is amended by striking ''(beginning with the 2001–2002 academic year)''.

SEC. 532. ENHANCEMENT OF RESERVE COMPONENT DELAYED TRAINING PROGRAM.

(a) INCREASE IN TIME FOLLOWING ENLISTMENT FOR COMMENCEMENT OF INITIAL PERIOD OF ACTIVE DUTY FOR TRAINING.—Section 12103(d) of title 10, United States Code, is amended by striking ''270 days'' in the last sentence and inserting ''one year''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to enlistments under section 12103(d) of title 10, United States Code, after the end of the 90–day period beginning on the date of the enactment of this Act.

(c) TRANSITION.—In the case of a person who enlisted under section 12103(d) of title 10, United States Code, before the date of the enactment of this Act and who as of such date has not commenced the required initial period of active duty for training under that section, the amendment made by subsection (a) may be applied to that person, but only with the agreement of that person and the Secretary concerned.

SEC. 533. PREPARATION FOR, PARTICIPATION IN, AND CONDUCT OF ATHLETIC COMPETITIONS BY THE NATIONAL GUARD AND MEMBERS OF THE NATIONAL GUARD.

(a) ATHLETIC AND SMALL ARMS COMPETITIONS.—Section 504 of title 32, United States Code, is amended by adding at the end the following new subsection:

''(c) CONDUCT OF AND PARTICIPATION IN CERTAIN COMPETITIONS.—(1) Under regulations prescribed by the Secretary of Defense, members and units of the National Guard may conduct and compete in a qualifying athletic competition or a small arms competition so long as—

''(A) the conduct of, or participation in, the competition does not adversely affect the quality of training or otherwise interfere with the ability of a member or unit of the National Guard to perform the military functions of the member or unit;

''(B) National Guard personnel will enhance their military skills as a result of conducting or participating in the competition; and

''(C) the conduct of or participation in the competition will not result in a significant increase in National Guard costs.

''(2) Facilities and equipment of the National Guard, including military property and vehicles described in section 508(c) of this title, may be used in connection with the conduct of or participation in a qualifying athletic competition or a small arms competition under paragraph (1).''.

(b) OTHER MATTERS.—Such section is further amended by adding after subsection (c), as added by subsection (a) of this section, the following new subsections:

''(d) AVAILABILITY OF FUNDS.—(1) Subject to paragraph (2) and such limitations as may be enacted in appropriations Acts and such regulations as the Secretary of Defense may prescribe, amounts appropriated for the National Guard may be used to cover—

''(A) the costs of conducting or participating in a qualifying athletic competition or a small arms competition under subsection (c); and

''(B) the expenses of members of the National Guard under subsection (a)(3), including expenses of attendance and participation fees, travel, per diem, clothing, equipment, and related expenses.

''(2) Not more than $2,500,000 may be obligated or expended in any fiscal year under subsection (c).

''(e) QUALIFYING ATHLETIC COMPETITION DEFINED.—In this section, the term 'qualifying athletic competition' means a competition in athletic events that require skills relevant to military duties or involve aspects of physical fitness that are evaluated by the armed forces in determining whether a member of the National Guard is fit for military duty.''.

(c) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) in subsection (a), by inserting ''AUTHORIZED ACTIVITIES.—'' after ''(a)''; and

(2) in subsection (b), by inserting ''AUTHORIZED LOCATIONS.—'' after ''(b)''.

(d) CONFORMING AND CLERICAL AMENDMENTS.—(1) Subsection (a) of such section is amended—

(A) in paragraph (1), by inserting ''and'' after the semicolon;

(B) in paragraph (2), by striking ''; or'' and inserting a period; and

(C) by striking paragraph (3).

(2) The heading of such section is amended to read as follows:

''§ 504. National Guard schools; small arms competitions; athletic competitions''.

(3) The item relating to section 504 in the table of sections at the beginning of chapter 5 of title 32, United States Code, is amended to read as follows:

''504. National Guard schools; small arms competitions; athletic competitions.''.

Subtitle E—Decorations and Awards

SEC. 541. WAIVER OF TIME LIMITATIONS FOR AWARD OF CERTAIN DECORATIONS TO CERTAIN PERSONS.

(a) WAIVER.—Any limitation established by law or policy for the time within which a recommendation for the award of a military decoration or award must be submitted shall not apply to awards of decorations described in this section, the award of each such decoration having been determined by the Secretary concerned to be warranted in accordance with section 1130 of title 10, United States Code.

(b) DISTINGUISHED FLYING CROSS.—Subsection (a) applies to the award of the Distinguished Flying Cross (including multiple awards to the same individual) in the case of each individual concerning whom the Secretary of the military department concerned (or a designated official acting on behalf of the Secretary of the military department concerned) submitted to the Committee on Armed Services of the House of Representatives and the Committee on Armed Services of the Senate, during the period beginning on December 28, 2001, and ending on the day before the date of the enactment of this Act, a notice as provided in section 1130(b) of title 10, United States Code, that the award of the Distinguished Flying Cross to that individual is warranted and that a waiver of time restrictions prescribed by law for recommendation for such award is recommended.

SEC. 542. OPTION TO CONVERT AWARD OF ARMED FORCES EXPEDITIONARY MEDAL AWARDED FOR OPERATION FREQUENT WIND TO VIETNAM SERVICE MEDAL.

(a) IN GENERAL.—The Secretary of the military department concerned shall, upon the application of an individual who is an eligible Vietnam evacuation veteran, award that individual the Vietnam Service Medal,

notwithstanding any otherwise applicable requirements for the award of that medal. Any such award shall be made in lieu of the Armed Forces Expeditionary Medal awarded the individual for participation in Operation Frequent Wind.

(b) ELIGIBLE VIETNAM EVACUATION VETERAN.—For purposes of this section, the term ''eligible Vietnam evacuation veteran'' means a member or former member of the Armed Forces who was awarded the Armed Forces Expeditionary Medal for participation in military operations designated as Operation Frequent Wind arising from the evacuation of Vietnam on April 29 and 30, 1975.

Subtitle F—Administrative Matters

SEC. 551. STAFFING AND FUNDING FOR DEFENSE PRISONER OF WAR/MISSING PERSONNEL OFFICE.

(a) REQUIREMENT FOR STAFFING AND FUNDING AT LEVELS REQUIRED FOR PERFORMANCE OF FULL RANGE OF MISSIONS.—Subsection (a) of section 1501 of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(5)(A) The Secretary of Defense shall ensure that the office is provided sufficient military and civilian personnel levels, and sufficient funding, to enable the office to fully perform its complete range of missions. The Secretary shall ensure that Department of Defense programming, planning, and budgeting procedures are structured so as to ensure compliance with the preceding sentence for each fiscal year.

''(B) For any fiscal year, the number of military and civilian personnel assigned or detailed to the office may not be less than the number requested in the President's budget for fiscal year 2003, unless a level below such number is expressly required by law.

''(C) For any fiscal year, the level of funding allocated to the office within the Department of Defense may not be below the level requested for such purposes in the President's budget for fiscal year 2003, unless such a level of funding is expressly required by law.''.

(b) NAME OF OFFICE.—Such subsection is further amended by inserting after the first sentence of paragraph (1) the following new sentence: ''Such office shall be known as the Defense Prisoner of War/Missing Personnel Office.''.

SEC. 552. THREE-YEAR FREEZE ON REDUCTIONS OF PERSONNEL OF AGENCIES RESPONSIBLE FOR REVIEW AND CORRECTION OF MILITARY RECORDS.

(a) IN GENERAL.—Chapter 79 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1559. Personnel limitation

''(a) LIMITATION.—During fiscal years 2003, 2004, and 2005, the Secretary of a military department may not carry out any reduction in the number of military and civilian personnel assigned to duty with the service review agency for that military department below the baseline number for that agency until—

''(1) the Secretary submits to Congress a report that—

''(A) describes the reduction proposed to be made;

''(B) provides the Secretary's rationale for that reduction; and

''(C) specifies the number of such personnel that would be assigned to duty with that agency after the reduction; and

''(2) a period of 90 days has elapsed after the date on which the report is submitted.

''(b) BASELINE NUMBER.—The baseline number for a service review agency under this section is—

''(1) for purposes of the first report with respect to a service review agency under this section, the number of military and civilian personnel assigned to duty with that agency as of January 1, 2002; and

''(2) for purposes of any subsequent report with respect to a service review agency under this section, the number of such personnel specified in the most recent report with respect to that agency under this section.

''(c) SERVICE REVIEW AGENCY DEFINED.—In this section, the term 'service review agency' means—

''(1) with respect to the Department of the Army, the Army Review Boards Agency;

''(2) with respect to the Department of the Navy, the Board for Correction of Naval Records; and

''(3) with respect to the Department of the Air Force, the Air Force Review Boards Agency.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1559. Personnel limitation.''.

SEC. 553. DEPARTMENT OF DEFENSE SUPPORT FOR PERSONS PARTICIPATING IN MILITARY FUNERAL HONORS DETAILS.

Section 1491(d) of title 10, United States Code, is amended—

(1) by striking ''To provide a'' after ''SUPPORT.—'' and inserting ''(1) To support a'';

(2) by redesignating paragraph (1) as subparagraph (A) and amending such subparagraph, as so redesignated, to read as follows:

''(A) For a person who participates in a funeral honors detail (other than a person who is a member of the armed forces not in a retired status or an employee of the United States), either transportation (or reimbursement for transportation) and expenses or the daily stipend prescribed under paragraph (2).'';

(3) by redesignating paragraph (2) as subparagraph (B) and in that subparagraph—

(A) by striking ''Materiel, equipment, and training for'' and inserting ''For''; and

(B) by inserting before the period at the end ''and for members of the armed forces in a retired status, materiel, equipment, and training'';

(4) by redesignating paragraph (3) as subparagraph (C) and in that subparagraph—

(A) by striking ''Articles of clothing for'' and inserting ''For''; and

(B) by inserting '', articles of clothing'' after ''subsection (b)(2)''; and

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

''(2) The Secretary of Defense shall prescribe annually a flat rate daily stipend for purposes of paragraph (1)(A). Such stipend shall be set at a rate so as to encompass typical costs for transportation and other miscellaneous expenses for persons participating in funeral honors details who are members of the armed forces in a retired status and other persons are not members of the armed forces or employees of the United States.

''(3) A stipend paid under this subsection to a member of the armed forces in a retired status is in addition to any compensation to which the member is entitled under section 435(a)(2) of title 37 and any other compensation to which the member may be entitled.''.

SEC. 554. AUTHORITY FOR USE OF VOLUNTEERS AS PROCTORS FOR ADMINISTRATION OF ARMED SERVICES VOCATIONAL APTITUDE BATTERY TEST.

Section 1588(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(6) Voluntary services as a proctor for administration to secondary school students of the test known as the 'Armed Services Vocational Aptitude Battery'.''.

SEC. 555. ANNUAL REPORT ON STATUS OF FEMALE MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—Chapter 23 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 488. Status of female members of the armed forces: annual report

''(a) ANNUAL REPORT.—The Secretary of Defense shall submit to Congress an annual report on the status of female members of the armed forces. Information in the report shall be shown for the Department of Defense as a whole and separately for each of the Army, Navy, Air Force, and Marine Corps.

''(b) MATTERS TO BE INCLUDED.—Each report under subsection (a) shall include, at a minimum, the following information with respect to female members:

''(1) Access to health care.

''(2) Positions open.

''(3) Assignment policies.

''(4) Joint spouse assignments.

''(5) Deployment availability rates.

''(6) Promotion and retention rates.

''(7) Assignments in nontraditional fields.

''(8) Assignments to command positions.

''(9) Selection for service schools.

''(10) Sexual harassment.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''488. Status of female members of the armed forces: annual report.''.

Subtitle G—Benefits

SEC. 561. VOLUNTARY LEAVE SHARING PROGRAM FOR MEMBERS OF THE ARMED FORCES.

(a) IN GENERAL.—(1) Chapter 40 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 709. Voluntary transfers of leave

''(a) PROGRAM.—The Secretary concerned shall, by regulation, establish a program under which leave accrued by a member of an armed force may be transferred to another member of the same armed force who requires additional leave because of a qualifying emergency. Any such transfer of leave may be made only upon the voluntary written application of the member whose leave is to be transferred.

''(b) APPROVAL OF COMMANDING OFFICER REQUIRED.—Any transfer of leave under a program under this section may only be made with the approval of the commanding officer of the leave donor and the leave recipient.

''(c) QUALIFYING EMERGENCY.—In this section, the term 'qualifying emergency', with respect to a member of the armed forces, means a circumstance that—

''(1) is likely to require the prolonged absence of the member from duty; and

''(2) is due to—

''(A) a medical condition of a member of the immediate family of the member; or

''(B) any other hardship that the Secretary concerned determines appropriate for purposes of this section.

''(d) MILITARY DEPARTMENT REGULATIONS.—Regulations prescribed under this section by the Secretaries of the military department shall be as uniform as practicable and shall be subject to approval by the Secretary of Defense.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''709. Voluntary transfers of leave.''.

(b) DEADLINE FOR IMPLEMENTING REGULATIONS.—Regulations to implement section 709 of title 10, United States Code, as added by subsection (a), shall be prescribed not

later than six months after the date of the enactment of this Act.

SEC. 562. ENHANCED FLEXIBILITY IN MEDICAL LOAN REPAYMENT PROGRAM.

(a) ELIGIBLE PERSONS.—Subsection (d) of section 2173 of title 10, United States Code, is amended by striking ''Participants'' and all that follows through ''and students'' and inserting ''Students''.

(b) LOAN REPAYMENT AMOUNTS.—Subsection (e)(2) of such section is amended by striking the last sentence.

SEC. 563. EXPANSION OF OVERSEAS TOUR EXTENSION BENEFITS.

Section 705(b)(2) of title 10, United States Code, is amended—

(1) by striking ''recuperative'' and inserting ''recuperation''; and

(2) by inserting before the period at the end the following: '', or to an alternate location at a cost not to exceed the cost of transportation to the nearest port in the 48 contiguous States, and return''.

SEC. 564. VEHICLE STORAGE IN LIEU OF TRANSPORTATION WHEN MEMBER IS ORDERED TO A NONFOREIGN DUTY STATION OUTSIDE CONTINENTAL UNITED STATES.

(a) STORAGE COSTS AUTHORIZED.—Subsection (b) of section 2634 of title 10, United States Code, is amended by striking paragraphs (1) and (2) and inserting the following:

''(b)(1) When a member receives a vehicle storage qualifying order, the member may elect to have a motor vehicle described in subsection (a) stored at the expense of the United States at a location approved by the Secretary concerned. In the case of a vehicle storage qualifying order that is to make a change of permanent station, such storage is in lieu of transportation authorized by subsection (a).

''(2) In this subsection, the term 'vehicle storage qualifying order' means any of the following:

''(A) An order to make a change of permanent station to a foreign country in a case in which the laws, regulations, or other restrictions imposed by the foreign country or by the United States either—

''(i) preclude entry of a motor vehicle described in subsection (a) into that country; or

''(ii) would require extensive modification of the vehicle as a condition to entry.

''(B) An order to make a change of permanent station to a nonforeign area outside the continental United States in a case in which the laws, regulations, or other restrictions imposed by that area or by the United States either—

''(i) preclude entry of a motor vehicle described in subsection (a) into that area; or

''(ii) would require extensive modification of the vehicle as a condition to entry.

''(C) An order under which a member is transferred or assigned in connection with a contingency operation to duty at a location other than the permanent station of the member for a period of more than 30 consecutive days but which is not considered a change of permanent station.''.

(b) NONFOREIGN AREA OUTSIDE THE CONTINENTAL UNITED STATES DEFINED.—Subsection (h) of such section is amended by adding at the end the following new paragraph:

''(3) The term 'nonforeign area outside the continental United States' means any of the following: the States of Alaska and Hawaii, the Commonwealths of Puerto Rico and the Northern Mariana Islands, and any possession of the United States.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to orders to make a change of permanent station to a nonforeign area outside the continental United States (as such term is defined in subsection (h)(3) of section 2634 of title 10, United States Code, as added by subsection (b)) that are issued on or after the date of the enactment of this Act.

Subtitle H—Military Justice Matters

SEC. 571. RIGHT OF CONVICTED ACCUSED TO REQUEST SENTENCING BY MILITARY JUDGE.

(a) SENTENCING BY JUDGE.—(1) Chapter 47 of title 10, United States Code (the Uniform Code of Military Justice), is amended by inserting after section 852 (article 52) the following new section:

''§ 852a. Art. 52a. Right of accused to request sentencing by military judge rather than by members

''(a) In the case of an accused convicted of an offense by a court-martial composed of a military judge and members, the sentence shall be tried before and adjudged by the military judge rather than the members if, after the findings are announced and before evidence in the sentencing proceeding is introduced, the accused, knowing the identity of the military judge and after consultation with defense counsel, requests orally on the record or in writing that the sentence be tried before and adjudged by the military judge rather than the members.

''(b) This section shall not apply with respect to an offense for which the death penalty may be adjudged unless the case has been previously referred to trial as a noncapital case.''.

(2) The table of sections at the beginning of subchapter VII of such chapter is amended by inserting after the item relating to section 852 (article 52) the following new item:

''852a. 52a. Right of accused to request sentencing by military judge rather than by members.''.

(b) EFFECTIVE DATE.—Section 852a of title 10, United States Code (article 52a of the Uniform Code of Military Justice), as added by subsection (a), shall apply with respect to offenses committed on or after January 1, 2003.

SEC. 572. REPORT ON DESIRABILITY AND FEASIBILITY OF CONSOLIDATING SEPARATE COURSES OF BASIC INSTRUCTION FOR JUDGE ADVOCATES.

Not later than February 1, 2003, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the desirability and feasibility of consolidating the separate Army, Navy, and Air Force courses of basic instruction for judge advocates into a single course to be conducted at a single location. The report shall include—

(1) an assessment of the advantages and disadvantages of such a consolidation;

(2) a recommendation as to whether such a consolidation is desirable and feasible; and

(3) any proposal for legislative action that the Secretary considers appropriate for carrying out such a consolidation.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

Subtitle A—Pay and Allowances

SEC. 601. INCREASE IN BASIC PAY FOR FISCAL YEAR 2003.

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—The adjustment to become effective during fiscal year 2003 required by section 1009 of title 37, United States Code, in the rates of monthly basic pay authorized members of the uniformed services shall not be made.

(b) INCREASE IN BASIC PAY.—Effective on January 1, 2003, the rates of monthly basic pay for members of the uniformed services within each pay grade are as follows:

COMMISSIONED OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
0–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
0–9	0.00	0.00	0.00	0.00	0.00
0–8	7,474.50	7,719.30	7,881.60	7,927.20	8,129.40
0–7	6,210.90	6,499.20	6,633.00	6,739.20	6,930.90
0–6	4,603.20	5,057.10	5,388.90	5,388.90	5,409.60
0–5	3,837.60	4,323.00	4,622.40	4,678.50	4,864.80
0–4	3,311.10	3,832.80	4,088.70	4,145.70	4,383.00
0–3 [3]	2,911.20	3,300.30	3,562.20	3,883.50	4,069.50
0–2 [3]	2,515.20	2,864.70	3,299.40	3,410.70	3,481.20
0–1 [3]	2,183.70	2,272.50	2,746.80	2,746.80	2,746.80
	Over 8	Over 10	Over 12	Over 14	Over 16
0–10 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
0–9	0.00	0.00	0.00	0.00	0.00
0–8	8,468.70	8,547.30	8,868.90	8,961.30	9,238.20
0–7	7,120.80	7,340.40	7,559.40	7,779.00	8,468.70
0–6	5,641.20	5,672.10	5,672.10	5,994.60	6,564.30
0–5	4,977.00	5,222.70	5,403.00	5,635.50	5,991.90
0–4	4,637.70	4,954.50	5,201.40	5,372.70	5,471.10
0–3 [3]	4,273.50	4,405.80	4,623.30	4,736.10	4,736.10
0–2 [3]	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20

COMMISSIONED OFFICERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–1 [3]	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80
	Over 18	Over 20	Over 22	Over 24	Over 26
O–10 [2]	$0.00	$12,077.70	$12,137.10	$12,389.40	$12,829.20
O–9	0.00	10,563.60	10,715.70	10,935.60	11,319.60
O–8	9,639.00	10,008.90	10,255.80	10,255.80	10,255.80
O–7	9,051.30	9,051.30	9,051.30	9,051.30	9,096.90
O–6	6,898.80	7,233.30	7,423.50	7,616.10	7,989.90
O–5	6,161.70	6,329.10	6,519.60	6,519.60	6,519.60
O–4	5,528.40	5,528.40	5,528.40	5,528.40	5,528.40
O–3 [3]	4,736.10	4,736.10	4,736.10	4,736.10	4,736.10
O–2 [3]	3,481.20	3,481.20	3,481.20	3,481.20	3,481.20
O–1 [3]	2,746.80	2,746.80	2,746.80	2,746.80	2,746.80

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for commissioned officers in pay grades O–7 through O–10 may not exceed the rate of pay for level III of the Executive Schedule and the actual rate of basic pay for all other officers may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, the rate of basic pay for this grade is $14,155.50, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] This table does not apply to commissioned officers in pay grade O–1, O–2, or O–3 who have been credited with over 4 years of active duty service as an enlisted member or warrant officer.

COMMISSIONED OFFICERS WITH OVER 4 YEARS OF ACTIVE DUTY SERVICE AS AN ENLISTED MEMBER OR WARRANT OFFICER

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
O–3E	$0.00	$0.00	$0.00	$3,883.50	$4,069.50
O–2E	0.00	0.00	0.00	3,410.70	3,481.20
O–1E	0.00	0.00	0.00	2,746.80	2,933.70
	Over 8	Over 10	Over 12	Over 14	Over 16
O–3E	$4,273.50	$4,405.80	$4,623.30	$4,806.30	$4,911.00
O–2E	3,591.90	3,778.80	3,923.40	4,031.10	4,031.10
O–1E	3,042.00	3,152.70	3,261.60	3,410.70	3,410.70
	Over 18	Over 20	Over 22	Over 24	Over 26
O–3E	$5,054.40	$5,054.40	$5,054.40	$5,054.40	$5,054.40
O–2E	4,031.10	4,031.10	4,031.10	4,031.10	4,031.10
O–1E	3,410.70	3,410.70	3,410.70	3,410.70	3,410.70

WARRANT OFFICERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,008.10	3,236.10	3,329.10	3,420.60	3,578.10
W–3	2,747.10	2,862.00	2,979.30	3,017.70	3,141.00
W–2	2,416.50	2,554.50	2,675.10	2,763.00	2,838.30
W–1	2,133.90	2,308.50	2,425.50	2,501.10	2,662.50
	Over 8	Over 10	Over 12	Over 14	Over 16
W–5	$0.00	$0.00	$0.00	$0.00	$0.00
W–4	3,733.50	3,891.00	4,044.60	4,203.60	4,356.00
W–3	3,281.70	3,467.40	3,580.50	3,771.90	3,915.60
W–2	2,993.10	3,148.50	3,264.00	3,376.50	3,453.90
W–1	2,782.20	2,888.40	3,006.90	3,085.20	3,203.40
	Over 18	Over 20	Over 22	Over 24	Over 26
W–5	$0.00	$5,169.30	$5,346.60	$5,524.50	$5,703.30
W–4	4,512.00	4,664.40	4,822.50	4,978.20	5,137.50
W–3	4,058.40	4,201.50	4,266.30	4,407.00	4,548.00
W–2	3,579.90	3,705.90	3,831.00	3,957.30	3,957.30
W–1	3,320.70	3,409.50	3,409.50	3,409.50	3,409.50

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for warrant officers may not exceed the rate of pay for level V of the Executive Schedule.

ENLISTED MEMBERS [1]

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–9 [2]	$0.00	$0.00	$0.00	$0.00	$0.00
E–8	0.00	0.00	0.00	0.00	0.00
E–7	2,068.50	2,257.80	2,343.90	2,428.20	2,516.40
E–6	1,770.60	1,947.60	2,033.70	2,117.10	2,204.10
E–5	1,625.40	1,733.70	1,817.40	1,903.50	2,037.00
E–4	1,502.70	1,579.80	1,665.30	1,749.30	1,824.00
E–3	1,356.90	1,442.10	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1	[3] 1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 8	Over 10	Over 12	Over 14	Over 16
E–9 [2]	$0.00	$3,564.30	$3,645.00	$3,747.00	$3,867.00
E–8	2,975.40	3,061.20	3,141.30	3,237.60	3,342.00
E–7	2,667.90	2,753.40	2,838.30	2,990.40	3,066.30
E–6	2,400.90	2,477.40	2,562.30	2,636.70	2,663.10
E–5	2,151.90	2,236.80	2,283.30	2,283.30	2,283.30

ENLISTED MEMBERS [1]—Continued

Years of service computed under section 205 of title 37, United States Code

Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80
	Over 18	Over 20	Over 22	Over 24	Over 26
E–9 [2]	$3,987.30	$4,180.80	$4,344.30	$4,506.30	$4,757.40
E–8	3,530.10	3,625.50	3,787.50	3,877.50	4,099.20
E–7	3,138.60	3,182.70	3,331.50	3,427.80	3,671.40
E–6	2,709.60	2,709.60	2,709.60	2,709.60	2,709.60
E–5	2,283.30	2,283.30	2,283.30	2,283.30	2,283.30
E–4	1,824.00	1,824.00	1,824.00	1,824.00	1,824.00
E–3	1,528.80	1,528.80	1,528.80	1,528.80	1,528.80
E–2	1,290.00	1,290.00	1,290.00	1,290.00	1,290.00
E–1	1,150.80	1,150.80	1,150.80	1,150.80	1,150.80

[1] Notwithstanding the basic pay rates specified in this table, the actual rate of basic pay for enlisted members may not exceed the rate of pay for level V of the Executive Schedule.

[2] Subject to the preceding footnote, while serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, basic pay for this grade is $5,732.70, regardless of cumulative years of service computed under section 205 of title 37, United States Code.

[3] In the case of members in pay grade E–1 who have served less than 4 months on active duty, the rate of basic pay is $1,064.70.

SEC. 602. EXPANSION OF BASIC ALLOWANCE FOR HOUSING LOW-COST OR NO-COST MOVES AUTHORITY TO MEMBERS ASSIGNED TO DUTY OUTSIDE UNITED STATES.

Section 403(c) of title 37, United States Code, is amended by adding at the end the following new paragraph:

''(4) In the case of a member who is assigned to duty outside of the United States, the location or the circumstances of which make it necessary that the member be reassigned under the conditions of low-cost or no-cost permanent change of station or permanent change of assignment, the member may be treated as if the member were not reassigned if the Secretary concerned determines that it would be inequitable to base the member's entitlement to, and amount of, a basic allowance for housing on the cost of housing in the area to which the member is reassigned.''.

Subtitle B—Bonuses and Special and Incentive Pays

SEC. 611. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR RESERVE FORCES.

(a) SELECTED RESERVE REENLISTMENT BONUS.—Section 308b(f) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) SELECTED RESERVE ENLISTMENT BONUS.—Section 308c(e) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(c) SPECIAL PAY FOR ENLISTED MEMBERS ASSIGNED TO CERTAIN HIGH PRIORITY UNITS.—Section 308d(c) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(d) SELECTED RESERVE AFFILIATION BONUS.—Section 308e(e) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(e) READY RESERVE ENLISTMENT AND REENLISTMENT BONUS.—Section 308h(g) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(f) PRIOR SERVICE ENLISTMENT BONUS.—Section 308i(f) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 612. ONE-YEAR EXTENSION OF CERTAIN BONUS AND SPECIAL PAY AUTHORITIES FOR CERTAIN HEALTH CARE PROFESSIONALS.

(a) NURSE OFFICER CANDIDATE ACCESSION PROGRAM.—Section 2130a(a)(1) of title 10, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) REPAYMENT OF EDUCATION LOANS FOR CERTAIN HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE.—Section 16302(d) of such title is amended by striking ''January 1, 2003'' and inserting ''January 1, 2004''.

(c) ACCESSION BONUS FOR REGISTERED NURSES.—Section 302d(a)(1) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(d) INCENTIVE SPECIAL PAY FOR NURSE ANESTHETISTS.—Section 302e(a)(1) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(e) SPECIAL PAY FOR SELECTED RESERVE HEALTH PROFESSIONALS IN CRITICALLY SHORT WARTIME SPECIALTIES.—Section 302g(f) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(f) ACCESSION BONUS FOR DENTAL OFFICERS.—Section 302h(a)(1) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 613. ONE-YEAR EXTENSION OF SPECIAL PAY AND BONUS AUTHORITIES FOR NUCLEAR OFFICERS.

(a) SPECIAL PAY FOR NUCLEAR-QUALIFIED OFFICERS EXTENDING PERIOD OF ACTIVE SERVICE.—Section 312(e) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) NUCLEAR CAREER ACCESSION BONUS.—Section 312b(c) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(c) NUCLEAR CAREER ANNUAL INCENTIVE BONUS.—Section 312c(d) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 614. ONE-YEAR EXTENSION OF OTHER BONUS AND SPECIAL PAY AUTHORITIES.

(a) AVIATION OFFICER RETENTION BONUS.—Section 301b(a) of title 37, United States Code, is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(b) REENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 308(g) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(c) ENLISTMENT BONUS FOR ACTIVE MEMBERS.—Section 309(e) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(d) RETENTION BONUS FOR MEMBERS WITH CRITICAL MILITARY SKILLS.—Section 323(i) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

(e) ACCESSION BONUS FOR NEW OFFICERS IN CRITICAL SKILLS.—Section 324(g) of such title is amended by striking ''December 31, 2002'' and inserting ''December 31, 2003''.

SEC. 615. MINIMUM LEVELS OF HARDSHIP DUTY PAY FOR DUTY ON THE GROUND IN ANTARCTICA OR ON ARCTIC ICEPACK.

Section 305 of title 37, United States Code, is amended—

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

(2) by inserting after subsection (a), the following new subsection:

''(b) DUTY IN CERTAIN LOCATIONS.—(1) In the case of duty at a location described in paragraph (2) at any time during a month, the member of a uniformed service performing that duty is entitled to special pay under this section at a monthly rate of not less than $240, but not to exceed the monthly rate specified in subsection (a). For each day of that duty during the month, the member shall receive an amount equal to 1/30 of the monthly rate prescribed under this subsection.

''(2) Paragraph (1) applies with respect to duty performed on the ground in Antarctica or on the Arctic icepack.''.

SEC. 616. INCREASE IN MAXIMUM RATES FOR PRIOR SERVICE ENLISTMENT BONUS.

Section 308i(b)(1) of title 37, United States Code, is amended—

(1) in subparagraph (A), by striking ''$5,000'' and inserting ''$8,000'';

(2) in subparagraph (B), by striking ''$2,500'' and inserting ''$4,000''; and

(3) in subparagraph (C), by striking ''$2,000'' and inserting ''$3,500''.

SEC. 617. RETENTION INCENTIVES FOR HEALTH CARE PROVIDERS QUALIFIED IN A CRITICAL MILITARY SKILL.

(a) EXCEPTION TO LIMITATION ON MAXIMUM BONUS AMOUNT.—Subsection (d) of section 323 of title 37, United States Code, is amended—

(1) by inserting ''(1)'' before ''A member''; and

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

''(2) The limitation in paragraph (1) on the total bonus payments that a member may receive under this section does not apply with respect to an officer who is assigned duties as a health care provider.''.

(b) EXCEPTION TO YEARS OF SERVICE LIMITATION.—Subsection (e) of such section is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting ''(1)'' before ''A retention''; and

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

''(2) The limitations in paragraph (1) do not apply with respect to an officer who is assigned duties as a health care provider during the period of active duty for which the bonus is being offered.''.

Subtitle C—Travel and Transportation Allowances

SEC. 631. EXTENSION OF LEAVE TRAVEL DEFERRAL PERIOD FOR MEMBERS PERFORMING CONSECUTIVE OVERSEAS TOURS OF DUTY.

(a) AUTHORIZED DEFERRAL PERIOD.—Section 411b of title 37, United States Code is amended by inserting after subsection (a) the following new subsection:

''(b) AUTHORITY TO DEFER TRAVEL; LIMITATIONS.—(1) Under the regulations referred to subsection (a), a member may defer the travel for which the member is paid travel and transportation allowances under this section until anytime before the completion of the consecutive tour at the same duty station or the completion of the tour of duty at the new duty station under the order involved, as the case may be.

''(2) If a member is unable to undertake the travel before expiration of the deferral period under paragraph (1) because of duty in connection with a contingency operation, the member may defer the travel until not more than one year after the date on which the member's duty in connection with the contingency operation ends.''.

(b) CONFORMING AND CLERICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (a)—

(A) by striking ''(a)(1)'' and inserting ''(a) ALLOWANCES AUTHORIZED.—''; and

(B) by striking paragraph (2); and

(2) by striking ''(b) The allowances'' and inserting ''(c) LIMITATION ON ALLOWANCE RATE.—''.

(c) APPLICATION OF AMENDMENT.—Subsection (b) of section 411b of title 37, United States Code, as added by subsection (a), shall apply with respect to members of the uniformed services in a deferred leave travel status under such section as of the date of the enactment of this Act or after that date.

Subtitle D—Retired Pay and Survivors Benefits

SEC. 641. PHASE-IN OF FULL CONCURRENT RECEIPT OF MILITARY RETIRED PAY AND VETERANS DISABILITY COMPENSATION FOR MILITARY RETIREES WITH DISABILITIES RATED AT 60 PERCENT OR HIGHER.

(a) CONCURRENT RECEIPT.—Section 1414 of title 10, United States Code, is amended to read as follows:

''§ 1414. Members eligible for retired pay who have service-connected disabilities rated at 60 percent or higher: concurrent payment of retired pay and veterans' disability compensation

''(a) PAYMENT OF BOTH RETIRED PAY AND COMPENSATION.—Subject to subsection (b), a member or former member of the uniformed services who is entitled for any month to retired pay and who is also entitled for that month to veterans' disability compensation for a qualifying service-connected disability (hereinafter in this section referred to as a 'qualified retiree') is entitled to be paid both for that month without regard to sections 5304 and 5305 of title 38. For fiscal years 2003 through 2006, payment of retired pay to such a member or former member is subject to subsection (c).

''(b) SPECIAL RULES FOR CHAPTER 61 DISABILITY RETIREES.—

''(1) CAREER RETIREES.—The retired pay of a member retired under chapter 61 of this title with 20 years or more of service otherwise creditable under section 1405 of this title at the time of the member's retirement is subject to reduction under sections 5304 and 5305 of title 38, but only to the extent that the amount of the member's retired pay under chapter 61 of this title exceeds the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.

''(2) DISABILITY RETIREES WITH LESS THAN 20 YEARS OF SERVICE.—Subsection (a) does not apply to a member retired under chapter 61 of this title with less than 20 years of service otherwise creditable under section 1405 of this title at the time of the member's retirement.

''(c) PHASE-IN OF FULL CONCURRENT RECEIPT.—For fiscal years 2003 through 2006, retired pay payable to a qualified retiree shall be determined as follows:

''(1) FISCAL YEAR 2003.—For a month during fiscal year 2003, the amount of retired pay payable to a qualified retiree is the amount (if any) of retired pay in excess of the current baseline offset plus the following:

''(A) For a month for which the retiree receives veterans' disability compensation for a qualifying service-connected disability rated as total, $750.

''(B) For a month for which the retiree receives veterans' disability compensation for a qualifying service-connected disability rated as 90 percent, $500.

''(C) For a month for which the retiree receives veterans' disability compensation for a qualifying service-connected disability rated as 80 percent, $250.

''(D) For a month for which the retiree receives veterans' disability compensation for a qualifying service-connected disability rated as 70 percent, $250.

''(E) For a month for which the retiree receives veterans' disability compensation for a qualifying service-connected disability rated as 60 percent, $125.

''(2) FISCAL YEAR 2004.—For a month during fiscal year 2004, the amount of retired pay payable to a qualified retiree is the sum of—

''(A) the amount specified in paragraph (1) for that qualified retiree; and

''(B) 23 percent of the difference between (i) the current baseline offset, and (ii) the amount specified in paragraph (1) for that member's disability.

''(3) FISCAL YEAR 2005.—For a month during fiscal year 2005, the amount of retired pay payable to a qualified retiree is the sum of—

''(A) the amount determined under paragraph (2) for that qualified retiree; and

''(B) 30 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (2) for that qualified retiree.

''(4) FISCAL YEAR 2006.—For a month during fiscal year 2006, the amount of retired pay payable to a qualified retiree is the sum of—

''(A) the amount determined under paragraph (3) for that qualified retiree; and

''(B) 64 percent of the difference between (i) the current baseline offset, and (ii) the amount determined under paragraph (3) for that qualified retiree.

''(d) DEFINITIONS.—In this section:

''(1) RETIRED PAY.—The term 'retired pay' includes retainer pay, emergency officers' retirement pay, and naval pension.

''(2) VETERANS' DISABILITY COMPENSATION.—The term 'veterans' disability compensation' has the meaning given the term 'compensation' in section 101(13) of title 38.

''(3) SERVICE-CONNECTED.—The term 'service-connected' has the meaning given that term in section 101(16) of title 38.

''(4) QUALIFYING SERVICE-CONNECTED DISABILITY.—The term 'qualifying service-connected disability' means a service-connected disability or combination of service-connected disabilities that is rated as not less than 60 percent disabling by the Secretary of Veterans Affairs.

''(5) DISABILITY RATED AS TOTAL.—The term 'disability rated as total' means—

''(A) a disability, or combination of disabilities, that is rated as total under the standard schedule of rating disabilities in use by the Department of Veterans Affairs; or

''(B) a disability, or combination of disabilities, for which the scheduled rating is less than total but for which a rating of total is assigned by reason of inability of the disabled person concerned to secure or follow a substantially gainful occupation as a result of service-connected disabilities.

''(6) CURRENT BASELINE OFFSET.—

''(A) IN GENERAL.—The term 'current baseline offset' for any qualified retiree means the amount for any month that is the lesser of—

''(i) the amount of the applicable monthly retired pay of the qualified retiree for that month; and

''(ii) the amount of monthly veterans' disability compensation to which the qualified retiree is entitled for that month.

''(B) APPLICABLE RETIRED PAY.—In subparagraph (A), the term 'applicable retired pay' for a qualified retiree means the amount of monthly retired pay to which the qualified retiree is entitled, determined without regard to this section or sections 5304 and 5305 of title 38), except that in the case of such a retiree who was retired under chapter 61 of this title, such amount is the amount of retired pay to which the member would have been entitled under any other provision of law based upon the member's service in the uniformed services if the member had not been retired under chapter 61 of this title.''.

(b) REPEAL OF SPECIAL COMPENSATION AUTHORITY.—Section 1413 of title 10, United States Code, is repealed.

(c) PAYMENT OF INCREASED RETIRED PAY COSTS DUE TO CONCURRENT RECEIPT.—(1) Section 1465(b) of such title is amended by adding at the end the following new paragraph:

''(3) At the same time that the Secretary of Defense makes the determination required by paragraph (1) for any fiscal year, the Secretary shall determine the amount of the Treasury contribution to be made to the Fund for the next fiscal year under section 1466(b)(2)(D) of this title. That amount shall be determined in the same manner as the determination under paragraph (1) of the total amount of Department of Defense contributions to be made to the Fund during that fiscal year under section 1466(a) of this title, except that for purposes of this paragraph the Secretary, in making the calculations required by subparagraphs (A) and (B) of that paragraph, shall use the single level percentages determined under subsection (c)(4), rather than those determined under subsection (c)(1).''.

(2) Section 1465(c) of such title is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by inserting before the semicolon at the end the following: '', to be determined without regard to section 1414 of this title'';

(ii) in subparagraph (B), by inserting before the period at the end the following: '', to be determined without regard to section 1414 of this title''; and

(iii) in the sentence following subparagraph (B), by striking ''subsection (b)'' and inserting ''subsection (b)(1)'';

(B) by redesignating paragraph (4) as paragraph (5); and

(C) by inserting after paragraph (3) the following new paragraph (4):

''(4) Whenever the Secretary carries out an actuarial valuation under paragraph (1), the Secretary shall include as part of such valuation the following:

''(A) A determination of a single level percentage determined in the same manner as applies under subparagraph (A) of paragraph (1), but based only upon the provisions of section 1414 of this title.

''(B) A determination of a single level percentage determined in the same manner as applies under subparagraph (B) of paragraph (1), but based only upon the provisions of section 1414 of this title.

Such single level percentages shall be used for the purposes of subsection (b)(3).''.

(3) Section 1466(b) of such title is amended—

(A) in paragraph (1), by striking ''sections 1465(a) and 1465(c)'' and inserting ''sections 1465(a), 1465(b)(3), 1465(c)(2), and 1465(c)(3)''; and

(B) by adding at the end of paragraph (2) the following new subparagraph:

''(D) The amount for that year determined by the Secretary of Defense under section 1465(b)(3) of this title for the cost to the Fund arising from increased amounts payable from the Fund by reason of section 1414 of this title.''.

(d) CLERICAL AMENDMENTS.—The table of sections at the beginning of chapter 71 of such title is amended—

(1) by striking the item relating to section 1413; and

(2) by striking the item relating to section 1414 and inserting the following:

''1414. Members eligible for retired pay who have service-connected disabilities rated at 60 percent or higher: concurrent payment of retired pay and veterans' disability compensation.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to retired pay payable for months after September 2002.

SEC. 642. CHANGE IN SERVICE REQUIREMENTS FOR ELIGIBILITY FOR RETIRED PAY FOR NON-REGULAR SERVICE.

(a) REDUCTION IN REQUIREMENT FOR YEARS OF RESERVE COMPONENT SERVICE BEFORE RETIRED PAY ELIGIBILITY.—Section 12731(a)(3) of title 10, United States Code, is amended by striking ''eight years'' and inserting ''six years''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2002.

SEC. 643. ELIMINATION OF POSSIBLE INVERSION IN RETIRED PAY COST-OF-LIVING ADJUSTMENT FOR INITIAL COLA COMPUTATION.

(a) ELIMINATION OF POSSIBLE COLA INVERSION.—Section 1401a of title 10, United States Code, is amended—

(1) in subsections (c)(1), (d), and (e), by inserting ''but subject to subsection (f)(2)'' after ''Notwithstanding subsection (b)'';

(2) in subsection (c)(2), by inserting ''(subject to subsection (f)(2) as applied to other members whose retired pay is computed on the current rates of basic pay in the most recent adjustment under this section)'' after ''shall be increased''; and

(3) in subsection (f)—

(A) by designating the text after the subsection heading as paragraph (1), indenting that text two ems, and inserting ''(1) PREVENTION OF RETIRED PAY INVERSIONS.—'' before ''Notwithstanding''; and

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

''(2) PREVENTION OF COLA INVERSIONS.—The percentage of the first adjustment under this section in the retired pay of any person, as determined under subsection (c)(1), (c)(2), (d), or (e), may not exceed the percentage increase in retired pay determined under subsection (b)(2) that is effective on the same date as the effective date of such first adjustment.''.

(b) TECHNICAL AMENDMENTS.—Such section is further amended—

(1) in subsection (d), by inserting ''or on or after August 1, 1986, if the member or former member did not elect to receive a bonus under section 322 of title 37'' after ''August 1, 1986,''; and

(2) in subsection (e), by inserting ''and elected to receive a bonus under section 322 of title 37'' after ''August 1, 1986,''.

SEC. 644. TECHNICAL REVISIONS TO SO-CALLED ''FORGOTTEN WIDOWS'' ANNUITY PROGRAM.

(a) CLARIFICATION OF ELIGIBILITY.—Subsection (a)(1) of section 644 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105–85; 10 U.S.C. 1448 note) is amended—

(1) in subparagraph (A), by inserting after ''(A)'' the following: ''became entitled to retired or retainer pay before September 21, 1972,''; and

(2) in subparagraph (B), by striking ''was a member of a reserve component of the Armed Forces'' and inserting ''died''.

(b) CLARIFICATION OF INTERACTION WITH OTHER BENEFITS.—(1) Subsection (a)(2) of such section is amended by striking ''and who'' and all that follows through ''note)''.

(2) Subsection (b)(2) of such section is amended to read as follows:

''(2) The amount of an annuity to which a surviving spouse is entitled under this section for any period shall be reduced (but not below zero) by any amount paid to that surviving spouse for the same period under any of the following provisions of law:

''(A) Section 1311(a) of title 38, United States Code (relating to dependency and indemnity compensation payable by the Secretary of Veterans Affairs).

''(B) Chapter 73 of title 10, United States Code.

''(C) Section 4 of Public Law 92–425 (10 U.S.C. 1448 note).''.

(c) CLARIFICATION OF DEFINITION OF SURVIVING SPOUSE.—Subsection (d)(2) of such section is amended by striking ''the terms'' and all that follows through ''and (8)'' and inserting ''such term in paragraph (9)''.

(d) CLARIFICATION OF EFFECTIVE DATE OF BENEFITS.—Subsection (e) of such section is amended—

(1) in paragraph (1), by striking ''the month in which this Act is enacted'' and inserting ''November 1997'';

(2) in paragraph (2), by striking ''the first month that begins after the month in which this Act is enacted'' and inserting ''December 1997''; and

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

''(3) In the case of a person entitled to an annuity under this section who applies for the annuity after the date of the enactment of this paragraph, such annuity shall be paid only for months beginning after the date on which such application is submitted.''.

(e) SPECIFICATION IN LAW OF CURRENT BENEFIT AMOUNT.—Subsection (b) of such section is amended—

(1) in paragraph (1), by striking ''$165'' and inserting ''$185.58''; and

(2) in paragraph (3)—

(A) by striking ''the date of the enactment of this Act'' and inserting ''May 1, 2002,''; and

(B) by striking the last sentence.

Subtitle E—Reserve Component Montgomery GI Bill

SEC. 651. EXTENSION OF MONTGOMERY GI BILL-SELECTED RESERVE ELIGIBILITY PERIOD.

Section 16133(a) of title 10, United States Code, is amended by striking ''10-year'' and inserting ''14-year''.

Subtitle F—Other Matters

SEC. 661. ADDITION OF DEFINITION OF CONTINENTAL UNITED STATES IN TITLE 37.

(a) DEFINITION.—Section 101(1) of title 37, United States Code, is amended by adding at the end the following new sentence: ''The term 'continental United States' means the 48 contiguous States and the District of Columbia.''.

(b) CONFORMING AMENDMENTS.—Title 37, United States Code, is amended as follows:

(1) Section 314(a)(3) is amended by striking ''the 48 contiguous States and the District of Columbia'' and inserting ''the continental United States''.

(2) Section 403b(i) is amended by striking paragraph (6).

(3) Section 409 is amended by striking subsection (e).

(4) Section 411b(a) is amended by striking ''the 48 contiguous States and the District of Columbia'' both places it appears and inserting ''the continental United States''.

(5) Section 411d is amended by striking subsection (d).

(6) Section 430 is amended by striking subsection (f) and inserting the following new subsection (f):

''(f) DEFINITIONS.—In this section:

''(1) The term 'formal education' means the following:

''(A) A secondary education.

''(B) An undergraduate college education.

''(C) A graduate education pursued on a full-time basis at an institution of higher education.

''(D) Vocational education pursued on a full-time basis at a postsecondary vocational institution.

''(2) The term 'institution of higher education' has the meaning given that term in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001).

''(3) The term 'postsecondary vocational institution' has the meaning given that term in section 102(c) of the Higher Education Act of 1965 (20 U.S.C. 1002(c)).''.

TITLE VII—HEALTH CARE MATTERS

Subtitle A—Health Care Program Improvements

SEC. 701. ELIMINATION OF REQUIREMENT FOR TRICARE PREAUTHORIZATION OF INPATIENT MENTAL HEALTH CARE FOR MEDICARE-ELIGIBLE BENEFICIARIES.

(a) ELIMINATION OF REQUIREMENT.—Section 1079(i) of title 10, United States Code, is amended in paragraph (3) by inserting ''or in the case of a person eligible for health care benefits under section 1086(d)(2) of this title for whom payment for such services is made under subsection 1086(d)(3) of this title'' after ''an emergency''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2004.

SEC. 702. EXPANSION OF TRICARE PRIME REMOTE FOR CERTAIN DEPENDENTS.

(a) EXPANSION OF ELIGIBILITY.—Section 1079(p) of title 10, United States Code, is amended in paragraph (1)—

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

(2) by striking ''referred to in subsection (a) of a member of the uniformed services referred to in 1074(c)(3) of this title who are residing with the member'' and inserting ''described in subparagraph (B)''; and

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

''(B) A dependent referred to in subparagraph (A) is—

''(i) a dependent referred to in subsection (a) of a member of the uniformed services referred to in section 1074(c)(3) of this title, who is residing with the member; or

''(ii) a dependent referred to in subsection (a) of a member of the uniformed services

with a permanent duty assignment for which the dependent is not authorized to accompany the member and one of the following circumstances exists:

''(I) The dependent continues to reside at the location of the former duty assignment of the member (or residence in the case of a member of a reserve component ordered to active duty for a period of more than 30 days), and that location is more than 50 miles, or approximately one hour of driving time, from the nearest military medical treatment facility that can adequately provide needed health care.

''(II) There is no reasonable expectation the member will return to the location of the former duty assignment, and the dependent moves to a location that is more than 50 miles, or approximately one hour of driving time, from the nearest military medical treatment facility that can adequately provide needed health care.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect October 1, 2002.

SEC. 703. ENABLING DEPENDENTS OF CERTAIN MEMBERS WHO DIED WHILE ON ACTIVE DUTY TO ENROLL IN THE TRICARE DENTAL PROGRAM.

Section 1076a(k)(2) of title 10, United States Code, is amended by inserting ''(or, if not enrolled, if the member discontinued participation under subsection (f))'' after ''subsection (a)''.

SEC. 704. IMPROVEMENTS REGARDING THE DEPARTMENT OF DEFENSE MEDICARE-ELIGIBLE RETIREE HEALTH CARE FUND.

(a) SOURCE OF FUNDS FOR MONTHLY ACCRUAL PAYMENTS INTO THE FUND.—Section 1116(c) of title 10, United States Code, is amended to read as follows:

''(c) Amounts paid into the Fund under subsection (a) shall be paid from funds available for the pay of members of the participating uniformed services under the jurisdiction of the respective administering Secretaries.''.

(b) MANDATORY PARTICIPATION OF OTHER UNIFORMED SERVICES.—Section 1111(c) of such title is amended—

(1) in the first sentence, by striking ''may enter into an agreement with any other administering Secretary'' and inserting ''shall enter into an agreement with each other administering Secretary''; and

(2) in the second sentence, by striking ''Any'' and inserting ''Each''.

SEC. 705. CERTIFICATION OF INSTITUTIONAL AND NON-INSTITUTIONAL PROVIDERS UNDER THE TRICARE PROGRAM.

(a) IN GENERAL.—Section 1079 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(q) For purposes of designating institutional and non-institutional health care providers authorized to provide care under this section, the Secretary of Defense shall prescribe regulations (in consultation with the other administering Secretaries) that will, to the extent practicable and subject to the limitations of subsection (a), so designate any provider authorized to provide care under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect October 1, 2003.

SEC. 706. TECHNICAL CORRECTION REGARDING TRANSITIONAL HEALTH CARE.

Effective as of December 28, 2001, section 1145(a)(1) of title 10, United States Code, is amended by inserting ''(and the dependents of the member)'' after ''separated from active duty as described in paragraph (2)''. The amendment made by the preceding sentence shall be deemed to have been enacted as part of section 736 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107).

Subtitle B—Reports

SEC. 711. COMPTROLLER GENERAL REPORT ON TRICARE CLAIMS PROCESSING.

Not later than March 31, 2003, the Comptroller General shall submit to Congress an evaluation of the continuing impediments to a cost effective and provider- and beneficiary-friendly system for claims processing under the TRICARE program. The evaluation shall include a discussion of the following:

(1) The extent of progress implementing improvements in claims processing, particularly regarding the application of best industry practices.

(2) The extent of progress in simplifying claims processing procedures, including the elimination of, or reduction in, the complexity of the Health Care Service Record requirements.

(3) The suitability of a medicare-compatible claims processing system with the data requirements necessary to administer the TRICARE program and related information systems.

(4) The extent to which the claims processing system for the TRICARE program impedes provider participation and beneficiary access.

(5) Recommendations for improving the claims processing system that will reduce processing and administration costs, create greater competition, and improve fraud-prevention activities.

SEC. 712. COMPTROLLER GENERAL REPORT ON PROVISION OF CARE UNDER THE TRICARE PROGRAM.

Not later than March 31, 2003, the Comptroller General shall submit to Congress an evaluation of the nature of, reasons for, extent of, and trends regarding network provider instability under the TRICARE program, and the effectiveness of efforts by the Department of Defense and managed care support contractors to measure and mitigate such instability. The evaluation shall include a discussion of the following:

(1) The adequacy of measurement tools of TRICARE network instability and their use by the Department of Defense and managed care support contractors to assess network adequacy and stability.

(2) Recommendations for improvements needed in measurement tools or their application.

(3) The relationship of reimbursement rates and administration requirements (including preauthorization requirements) to TRICARE network instability.

(4) The extent of problems under the TRICARE program and likely future trends with and without intervention using existing authority.

(5) Use of existing authority by the Department of Defense and TRICARE managed care support contractors to apply higher reimbursement rates in specific geographic areas.

(6) Recommendations for specific fiscally prudent measures that could mitigate negative trends or improve provider and network stability.

SEC. 713. REPEAL OF REPORT REQUIREMENT.

Notwithstanding subsection (f)(2) of section 712 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A–179), the amendment made by subsection (e) of such section shall not take effect and the paragraph amended by such subsection is repealed.

Subtitle C—Department of Defense-Department of Veterans Affairs Health Resources Sharing

SEC. 721. SHORT TITLE.

This subtitle may be cited as the ''Department of Defense-Department of Veterans Affairs Health Resources Sharing and Performance Improvement Act of 2002''.

SEC. 722. FINDINGS AND SENSE OF CONGRESS CONCERNING STATUS OF HEALTH RESOURCES SHARING BETWEEN THE DEPARTMENT OF VETERANS AFFAIRS AND THE DEPARTMENT OF DEFENSE.

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

(1) Federal health care resources are scarce and thus should be effectively and efficiently used.

(2) In 1982, Congress, in Public Law 97–174, authorized the sharing of health resources between Department of Defense medical treatment facilities and Department of Veterans Affairs health care facilities in order to allow more effective and efficient use of those health resources.

(3) Health care beneficiaries of the Departments of Defense and Veterans Affairs, whether active servicemembers, veterans, retirees, or family members of active or retired servicemembers, should have full access to the health care and services that Congress has authorized for them.

(4) The Secretary of Defense and the Secretary of Veterans Affairs, and the appropriate officials of each of the Departments of Defense and Veterans Affairs with responsibilities related to health care, have not taken full advantage of the opportunities provided by law to make their respective health resources available to health care beneficiaries of the other Department in order to provide improved health care for the whole number of beneficiaries.

(5) After the many years of support and encouragement from Congress, the Departments have made little progress in health resource sharing and the intended results of the sharing authority have not been achieved.

(b) SENSE OF CONGRESS.—Congress urges the Secretary of Defense and the Secretary of Veterans Affairs—

(1) to commit their respective Departments to significantly improve mutually beneficial sharing and coordination of health care resources and services during peace and war;

(2) to build organizational cultures supportive of improved sharing and coordination of health care resources and services; and

(3) to establish and achieve measurable goals to facilitate increased sharing and coordination of health care resources and services.

(c) PURPOSE.—It is the purpose of this Act—

(1) to authorize a program to advance mutually beneficial sharing and coordination of health care resources between the two Departments consistent with the longstanding intent of Congress; and

(2) to establish a basis for improved strategic planning by the Department of Defense and Department of Veterans Affairs health systems to ensure that scarce health care resources are used more effectively and efficiently in order to enhance access to high quality health care for their respective beneficiaries.

SEC. 723. REVISED COORDINATION AND SHARING GUIDELINES.

(a) IN GENERAL.—(1) Section 8111 of title 38, United States Code, is amended to read as follows:

"§ 8111. Sharing of Department of Veterans Affairs and Department of Defense health care resources

''(a) REQUIRED COORDINATION AND SHARING OF HEALTH CARE RESOURCES.—The Secretary of Veterans Affairs and the Secretary of Defense shall enter into agreements and contracts for the mutually beneficial coordination, use, or exchange of use of the health care resources of the Department of Veterans Affairs and the Department of Defense with the goal of improving the access to, and quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

''(b) JOINT REQUIREMENTS FOR SECRETARIES OF VETERANS AFFAIRS AND DEFENSE.—To facilitate the mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments, the two Secretaries shall carry out the following functions:

''(1) Develop and publish a joint strategic vision statement and a joint strategic plan to shape, focus, and prioritize the coordination and sharing efforts among appropriate elements of the two Departments and incorporate the goals and requirements of the joint sharing plan into the strategic and performance plan of each Department under the Government Performance and Results Act.

''(2) Jointly fund the interagency committee provided for under subsection (c).

''(3) Continue to facilitate and improve sharing between individual Department of Veterans Affairs and Department of Defense health care facilities, but giving priority of effort to initiatives (A) that improve sharing and coordination of health resources at the intraregional and nationwide levels, and (B) that improve the ability of both Departments to provide coordinated health care.

''(4) Establish a joint incentive program under subsection (d).

''(c) DOD–VA HEALTH EXECUTIVE COMMITTEE.—(1) There is established an interagency committee to be known as the Department of Veterans Affairs-Department of Defense Health Executive Committee (hereinafter in this section referred to as the 'Committee'). The Committee is composed of—

''(A) the Deputy Secretary of the Department of Veterans Affairs and such other officers and employees of the Department of Veterans Affairs as the Secretary of Veterans Affairs may designate; and

''(B) the Under Secretary of Defense for Personnel and Readiness and such other officers and employees of the Department of Defense as the Secretary of Defense may designate.

''(2)(A) During odd-numbered fiscal years, the Deputy Secretary of Veterans Affairs shall chair the Committee. During even-numbered fiscal years, the Under Secretary of Defense shall chair the Committee.

''(B) The Deputy Secretary and the Under Secretary shall determine the size and structure of the Committee, as well as the administrative and procedural guidelines for the operation of the Committee. The two Departments shall share equally the Committee's cost of personnel and administrative support and services. Support for such purposes shall be provided at a level sufficient for the efficient operation of the Committee, including a permanent staff and, as required, other temporary working groups of appropriate departmental staff and outside experts.

''(3) The Committee shall recommend to the Secretaries strategic direction for the joint coordination and sharing efforts between and within the two Departments under this section and shall oversee implementation of those efforts.

''(4) The Committee shall submit to the two Secretaries and to Congress an annual report containing such recommendations as the Committee considers appropriate. The two Secretaries shall implement the Committee's recommendations unless, with respect to any such recommendation, either Secretary formally determines that the recommendation should not be implemented or should be implemented in a modified form. Upon making such a determination, the Secretary making the determination shall submit to Congress notice of the Secretary's determination and the Secretary's rationale for the determination.

''(5) In order to enable the Committee to make recommendations in its annual report under paragraph (4), the Committee shall do the following:

''(A) Review existing policies, procedures, and practices relating to the coordination and sharing of health care resources between the two Departments.

''(B) Identify changes in policies, procedures, and practices that, in the judgment of the Committee, would promote mutually beneficial coordination, use, or exchange of use of the health care resources of the two Departments, with the goal of improving the access to, and quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

''(C) Identify and assess further opportunities for the coordination and sharing of health care resources between the Departments that, in the judgment of the Committee, would not adversely affect the range of services, the quality of care, or the established priorities for care provided by either Department.

''(D) Review the plans of both Departments for the acquisition of additional health care resources, especially new facilities and major equipment and technology, in order to assess the potential effect of such plans on further opportunities for the coordination and sharing of health care resources.

''(E) Review the implementation of activities designed to promote the coordination and sharing of health care resources between the Departments. To assist in this effort, the Committee chairman, under procedures jointly developed by the Secretaries of both Departments, may task the Inspectors General of either or both Departments.

''(d) JOINT INCENTIVES PROGRAM.—(1) Pursuant to subsection (b)(4), the two Secretaries shall carry out a program to identify, provide incentives to, implement, fund, and evaluate creative coordination and sharing initiatives at the facility, intraregional and nationwide levels. The program shall be administered by the Committee established in subsection (c), under procedures jointly prescribed by the two Secretaries.

''(2) To facilitate the incentive program, there is established in the Treasury, effective on October 1, 2003, a DOD–VA Health Care Sharing Incentive Fund. Each Secretary shall annually contribute to the fund a minimum of $15,000,000 from the funds appropriated to that Secretary's Department. Such funds shall remain available until expended.

''(3)(A) The implementation and effectiveness of the program under this subsection shall be reviewed annually by the joint Department of Defense-Department of Veterans Affairs Inspector General review team established in section 724(i) of the Department of Defense-Department of Veterans Affairs Health Resources Sharing and Performance Improvement Act of 2002. On completion of the annual review, the review team shall submit a report to the two Secretaries on the results of the review. Such report shall be submitted through the Committee to the Secretaries not later than December 31 of each calendar year. The Secretaries shall forward each report, without change, to the Committees on Armed Services and Veterans' Affairs of the Senate and House of Representatives not later than February 28 of the following year.

''(B) Each such report shall describe activities carried out under the program under this subsection during the preceding fiscal year. Each report shall include at least the following:

''(i) An analysis of the initiatives funded by the Committee, and the funds so expended by such initiatives, from the Health Care Sharing Incentive Fund, including the purposes and effects of those initiatives on improving access to care by beneficiaries, improvements in the quality of care received by those beneficiaries, and efficiencies gained in delivering services to those beneficiaries.

''(ii) Other matters of interest, including recommendations from the review team to make legislative improvements to the program.

''(4) The program under this subsection shall terminate on September 30, 2007.

''(e) GUIDELINES AND POLICIES FOR IMPLEMENTATION OF COORDINATION AND SHARING RECOMMENDATIONS, CONTRACTS, AND AGREEMENTS.—(1) To implement the recommendations made by the Committee under subsection (c)(2), as well as to carry out other health care contracts and agreements for coordination and sharing initiatives as they consider appropriate, the two Secretaries shall jointly issue guidelines and policy directives. Such guidelines and policies shall provide for coordination and sharing that—

''(A) is consistent with the health care responsibilities of the Department of Veterans Affairs under this title and with the health care responsibilities of the Department of Defense under chapter 55 of title 10;

''(B) will not adversely affect the range of services, the quality of care, or the established priorities for care provided by either Department; and

''(C) will not reduce capacities in certain specialized programs of the Department of Veterans Affairs that the Secretary is required to maintain in accordance with section 1706(b) of this title.

''(2) To facilitate the sharing and coordination of health care services between the two Departments, the two Secretaries shall jointly develop and implement guidelines for a standardized, uniform payment and reimbursement schedule for those services. Such schedule shall be implemented no later than the beginning of fiscal year 2004 and shall be revised periodically as necessary.

''(3)(A) The guidelines established under paragraph (1) shall authorize the heads of individual Department of Defense and Department of Veterans Affairs medical facilities and service regions to enter into health care resources coordination and sharing agreements.

''(B) Under any such agreement, an individual who is a primary beneficiary of one Department may be provided health care, as provided in the agreement, at a facility or in the service region of the other Department that is a party to the sharing agreement.

''(C) Each such agreement shall identify the health care resources to be shared.

''(D) Each such agreement shall provide, and shall specify procedures designed to ensure, that the availability of direct health care to individuals who are not primary beneficiaries of the providing Department is (i) on a referral basis from the facility or service region of the other Department, and (ii) does not (as determined by the head of the providing facility or region) adversely affect the range of services, the quality of

care, or the established priorities for care provided to the primary beneficiaries of the providing Department.

''(E) Each such agreement shall provide that a providing Department or service region shall be reimbursed for the cost of the health care resources provided under the agreement and that the rate of such reimbursement shall be as determined in accordance with paragraph (2).

''(F) Each proposal for an agreement under this paragraph shall be effective (i) on the 46th day after the receipt of such proposal by the Committee, unless earlier disapproved, or (ii) if earlier approved by the Committee, on the date of such approval.

''(G) Any funds received through such a uniform payment and reimbursement schedule shall be credited to funds that have been allotted to the facility of either Department that provided the care or services, or is due the funds from, any such agreement.

''(f) ANNUAL JOINT REPORT.—(1) At the time the President's budget is transmitted to Congress in any year pursuant to section 1105 of title 31, the two Secretaries shall submit to Congress a joint report on health care coordination and sharing activities under this section during the fiscal year that ended during the previous calendar year.

''(2) Each report under this section shall include the following:

''(A) The guidelines prescribed under subsection (e) of this section (and any revision of such guidelines).

''(B) The assessment of further opportunities identified under subparagraph (C) of subsection (c)(5) for the sharing of health-care resources between the two Departments.

''(C) Any recommendation made under subsection (c)(4) of this section during such fiscal year.

''(D) A review of the sharing agreements entered into under subsection (e) of this section and a summary of activities under such agreements during such fiscal year and a description of the results of such agreements in improving access to, and the quality and cost effectiveness of, the health care provided by the Veterans Health Administration and the Military Health System to the beneficiaries of both Departments.

''(E) A summary of other planning and activities involving either Department in connection with promoting the coordination and sharing of Federal health-care resources during the preceding fiscal year.

''(F) Such recommendations for legislation as the two Secretaries consider appropriate to facilitate the sharing of health-care resources between the two Departments.

''(3) In addition to the matters specified in paragraph (2), the two Secretaries shall include in the annual report under this subsection an overall status report of the progress of health resources sharing between the two Departments as a consequence of the Department of Defense-Department of Veterans Affairs Health Resources Sharing and Performance Improvement Act of 2002 and of other sharing initiatives taken during the period covered by the report. Such status report shall indicate the status of such sharing and shall include appropriate data as well as analyses of that data. The annual report shall include the following:

''(A) Enumerations and explanations of major policy decisions reached by the two Secretaries during the period covered by the report period with respect to sharing between the two Departments.

''(B) A description of any purposes of Department of Defense-Department of Veterans Affairs Health Resources Sharing and Performance Improvement Act of 2002 that presented barriers that could not be overcome by the two Secretaries and their status at the time of the report.

''(C) A description of progress made in new ventures or particular areas of sharing and coordination that would be of policy interest to Congress consistent with the intent of such Act.

''(D) A description of enhancements of access to care of beneficiaries of both Departments that came about as a result of new sharing approaches brought about by such Act.

''(E) A description of proposals for which funds are provided through the joint incentives program under subsection (d), together with a description of their results or status at the time of the report, including access improvements, savings, and quality-of-care enhancements they brought about, and a description of any additional use of funds made available under subsection (d).

''(g) DEFINITIONS.—For the purposes of this section:

''(1) The term 'beneficiary' means a person who is a primary beneficiary of the Department of Veterans Affairs or of the Department of Defense.

''(2) The term 'direct health care' means health care provided to a beneficiary in a medical facility operated by the Department or the Department of Defense.

''(3) The term 'head of a medical facility' (A) with respect to a medical facility of the Department, means the director of the facility, and (B) with respect to a medical facility of the Department of Defense, means the medical or dental officer in charge or the contract surgeon in charge.

''(4) The term 'health-care resource' includes hospital care, medical services, and rehabilitative services, as those terms are defined in paragraphs (5), (6), and (8), respectively, of section 1701 of this title, services under sections 1782 and 1783 of this title, any other health-care service, and any health-care support or administrative resource.

''(5) The term 'primary beneficiary' (A) with respect to the Department means a person who is eligible under this title (other than under section 1782, 1783, or 1784 or subsection (d) of this section) or any other provision of law for care or services in Department medical facilities, and (B) with respect to the Department of Defense, means a member or former member of the Armed Forces who is eligible for care under section 1074 of title 10.

''(6) The term 'providing Department' means the Department of Veterans Affairs, in the case of care or services furnished by a facility of the Department of Veterans Affairs, and the Department of Defense, in the case of care or services furnished by a facility of the Department of Defense.

''(7) The term 'service region' means a geographic service area of the Veterans Health Administration, in the case of the Department of Veterans Affairs, and a service region, in the case of the Department of Defense.''.

(2) The item relating to that section in the table of sections at the beginning of chapter 81 of title 38, United States Code, is amended to read as follows:

''8111. Sharing of Department of Veterans Affairs and Department of Defense health care resources.''.

(b) CONFORMING AMENDMENT.—Section 1104 of title 10, United States Code, is amended by striking ''may'' and inserting ''shall''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2003.

SEC. 724. HEALTH CARE RESOURCES SHARING AND COORDINATION PROJECT.

(a) ESTABLISHMENT.—(1) The Secretary of Veterans Affairs and the Secretary of Defense shall conduct a health care resources sharing project to serve as a test for evaluating the feasibility, and the advantages and disadvantages, of measures and programs designed to improve the sharing and coordination of health care and health care resources between the Department of Veterans Affairs and the Department of Defense. The project shall be carried out, as a minimum, at the sites identified under subsection (b).

(2) Reimbursement between the two Departments with respect to the project under this section shall be made in accordance with the provisions of section 8111(e)(2) of title 38, United States Code, as amended by section 723(a).

(b) SITE IDENTIFICATION.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretaries shall jointly identify no less than five sites for the conduct of the project under this section.

(2) For purposes of this section, a site at which the resource sharing project shall be carried out is an area in the United States in which—

(A) one or more military treatment facilities and one or more VA health care facilities are situated in relative proximity to each other, including facilities engaged in joint ventures as of the date of the enactment of this Act; and

(B) for which an agreement to coordinate care and programs for patients at those facilities could be implemented not later than October 1, 2004.

(c) CONDUCT OF PROJECT.—(1) At sites at which the project is conducted, the Secretaries shall provide a test of a coordinated management system for the military treatment facilities and VA health care facilities participating in the project. Such a coordinated management system for a site shall include at least one of the elements specified in paragraph (2), and each of the elements specified in that paragraph must be included in the coordinated management system for at least two of the participating sites.

(2) Elements of a coordinated management system referred to in paragraph (1) are the following:

(A) A budget and financial management system for those facilities that—

(i) provides managers with information about the costs of providing health care by both Departments at the site;

(ii) allows managers to assess the advantages and disadvantages (in terms of relative costs, benefits, and opportunities) of using resources of either Department to provide or enhance health care to beneficiaries of either Department.

(B) A coordinated staffing and assignment system for the personnel (including contract personnel) employed at or assigned to those facilities, including clinical practitioners of either Department.

(C) Medical information and information technology systems for those facilities that—

(i) are compatible with the purposes of the project;

(ii) communicate with medical information and information technology systems of corresponding elements of those facilities; and

(iii) incorporate minimum standards of information quality that are at least equivalent to those adopted for the Departments at large in their separate health care systems.

(d) PHARMACY BENEFIT.—(1) One of the elements that shall be tested in at least two sites in accordance with subsection (c) is a pharmacy benefit under which beneficiaries of either Department shall have access, as part of the project, to pharmaceutical services of the other Department participating in the project.

(2) The two Secretaries shall enter into a memorandum of agreement to govern the establishment and provision not later than October 1, 2004, of pharmaceutical services authorized by this section. In the case of beneficiaries of the Department of Defense, the authority under the preceding sentence for such access to pharmaceutical services at a VA health care facility includes authority for medications to be dispensed based upon a prescription written by a licensed health care practitioner who, as determined by the Secretary of Defense, is a certified practitioner.

(e) AUTHORITY TO WAIVE CERTAIN ADMINISTRATIVE POLICIES.—(1)(A) In order to carry out subsections (c) and (d), the Secretary of Defense may, in the Secretary's discretion, waive any administrative policy of the Department of Defense otherwise applicable to those subsections (including policies applicable to pharmaceutical benefits) that specifically conflicts with the purposes of the project, in instances in which the Secretary determines that the waiver is necessary for the purposes of the project.

(B) In order to carry out subsections (c) and (d), the Secretary of Veterans Affairs may, in the Secretary's discretion, waive any administrative policy of the Department of Veterans Affairs otherwise applicable to those subsections (including policies applicable to pharmaceutical benefits) that specifically conflicts with the purposes of the project, in instances in which the Secretary determines that the waiver is necessary for the purposes of the project.

(C) The two Secretaries shall establish procedures for resolving disputes that may arise from the effects of policy changes that are not covered by other agreement or existing procedures.

(2) No waiver under paragraph (1) may alter any labor-management agreement in effect as of the date of the enactment of this Act or adopted by either Department during the period of the project.

(f) USE BY DOD OF CERTAIN TITLE 38 PERSONNEL AUTHORITIES.—(1) In order to carry out subsections (c) and (d), the Secretary of Defense may apply to civilian personnel of the Department of Defense assigned to or employed at a military treatment facility participating in the project any of the provisions of subchapters I, III, and IV of chapter 74 of title 38, United States Code, determined appropriate by the Secretary.

(2) For such purposes, any reference in such chapter—

(A) to the ''Secretary'' or the ''Under Secretary for Health'' shall be treated as referring to the Secretary of Defense; and

(B) to the ''Veterans Health Administration'' shall be treated as referring to the Department of Defense.

(g) FUNDING.—From amounts available for health care for a fiscal year, each Secretary shall make available to carry out the project not less than—

(1) $5,000,000 for fiscal year 2003;

(2) $10,000,000 for fiscal year 2004; and

(3) $15,000,000 for each succeeding year during which the project is in effect.

(h) DEFINITIONS.—For purposes of this section:

(1) The term ''military treatment facility'' means a medical facility under the jurisdiction of the Secretary of a military department.

(2) The term ''VA health care facility'' means a facility under the jurisdiction of the Veterans Health Administration of the Department of Veterans Affairs.

(i) PERFORMANCE REQUIREMENTS.—(1) The two Secretaries shall provide for a joint review team to conduct an annual on-site review at each of the project locations selected by the Secretaries under this section. The review team shall be comprised of employees of the Offices of the Inspectors General of the two Departments. Leadership of the joint review team shall rotate each fiscal year between an employee of the Office of the Inspector General of the Department of Veterans Affairs, during even-numbered fiscal years, and an employee of the Office of Inspector General of the Department of Defense, during odd-numbered fiscal years.

(2) On completion of their annual joint review under paragraph (1), the review team shall submit a report to the two Secretaries on the results of the review. The Secretaries shall forward the report, without change, to the Committees on Armed Services and Veterans' Affairs of the Senate and House of Representatives.

(3) Each such report shall include the following:

(A) The strategic mission coordination between shared activities.

(B) The accuracy and validity of performance data used to evaluate sharing performance and changes in standards of care or services at the shared facilities.

(C) A statement that all appropriated funds designated for sharing activities are being used for direct support of sharing initiatives.

(D) Recommendations concerning continuance of the project at each site for the succeeding 12-month period.

(4) Whenever there is a recommendation under paragraph (3)(D) to discontinue a resource sharing project under this section, the two Secretaries shall act upon that recommendation as soon as practicable.

(5) In the initial report under this subsection, the joint review team shall validate the baseline information used for comparative analysis.

(j) TERMINATION.—(1) The project, and the authority provided by this section, shall terminate on September 30, 2007.

(2) The Secretaries may terminate the performance of the project at any site when the performance of the project at that site fails to meet performance expectations of the Secretaries, based on recommendations from the review team under subsection (i) or on other information available to the Secretaries to warrant such action.

SEC. 725. REPORT ON IMPROVED COORDINATION AND SHARING OF HEALTH CARE AND HEALTH CARE RESOURCES FOLLOWING DOMESTIC ACTS OF TERRORISM OR DOMESTIC USE OF WEAPONS OF MASS DESTRUCTION.

(a) JOINT REVIEW.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly review the adequacy of current processes and existing statutory authorities and policy governing the capability of the Department of Defense and the Department of Veterans Affairs to provide health care to members of the Armed Forces following domestic acts of terrorism or domestic use of weapons of mass destruction, both before and after any declaration of national emergency. Such review shall include a determination of the adequacy of current authorities in providing for the coordination and sharing of health care resources between the two Departments in such cases, particularly before the declaration of a national emergency.

(b) REPORT TO CONGRESS.—A report on the review under subsection (a), including any recommended legislative changes, shall be submitted to Congress as part of the fiscal year 2004 budget submission.

SEC. 726. ADOPTION BY DEPARTMENT OF VETERANS AFFAIRS OF DEPARTMENT OF DEFENSE PHARMACY DATA TRANSACTION SYSTEM.

(a) ADOPTION OF PDTS SYSTEM.—The Secretary of Veterans Affairs shall adopt for use by the Department of Veterans Affairs health care system the system of the Department of Defense known as the ''Pharmacy Data Transaction System''. Such system shall be fully operational for the Department of Veterans Affairs not later than October 1, 2004.

(b) IMPLEMENTATION FUNDING.—The Secretary of Defense shall transfer to the Secretary of Veterans Affairs, or shall otherwise bear the cost of, an amount sufficient to cover three-fourths of the cost to the Department of Veterans Affairs for initial computer programming activities and relevant staff training expenses related to implementation of subsection (a). Such amount shall be determined in such manner as agreed to by the two Secretaries.

(c) REIMBURSEMENT PROCEDURES.—Any reimbursement by the Department of Veterans Affairs to the Department of Defense for the use by the Department of Veterans Affairs of the transaction system under subsection (a) shall be determined in accordance with section 8111(e)(2) of title 38, United States Code, as amended by section 723.

SEC. 727. JOINT PILOT PROGRAM FOR PROVIDING GRADUATE MEDICAL EDUCATION AND TRAINING FOR PHYSICIANS.

(a) IN GENERAL.—The Secretary of Defense and the Secretary of Veterans Affairs shall jointly carry out a pilot program under which graduate medical education and training is provided to military physicians and physician employees of the Department of Defense and the Department of Veterans Affairs through one or more programs carried out in military medical treatment facilities of the Department of Defense and medical centers of the Department of Veterans Affairs. The pilot program shall begin not later than January 1, 2003.

(b) COST-SHARING AGREEMENT.—The Secretaries shall enter into an agreement for carrying out the pilot program. The agreement shall establish means for each Secretary to assist in paying the costs, with respect to individuals under the jurisdiction of that Secretary, incurred by the other Secretary in providing medical education and training under the pilot program.

(c) USE OF EXISTING AUTHORITIES.—To carry out the pilot program, the Secretary of Defense and the Secretary of Veterans Affairs may use authorities provided to them under this Act, section 8111 of title 38, United States Code, and other laws relating to the furnishing or support of medical education and the cooperative use of facilities.

(d) TERMINATION OF PROGRAM.—The pilot program under this section shall terminate on July 31, 2008.

(e) REPEAL OF SUPERSEDED PROVISION.—Section 738 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 10 U.S.C. 1094 note; 115 Stat.1173) is repealed.

SEC. 728. REPEAL OF CERTAIN LIMITS ON DEPARTMENT OF VETERANS AFFAIRS RESOURCES.

(a) REPEAL OF VA BED LIMITS.—Section 8110(a)(1) of title 38, United States Code, is amended—

(1) in the first sentence, by striking ''at not more than 125,000 and not less than 100,000'';

(2) in the third sentence, by striking ''shall operate and maintain a total of not less than 90,000 hospital beds and nursing home beds and''; and

(3) in the fourth sentence, by striking ''to enable the Department to operate and maintain a total of not less than 90,000 hospital and nursing home beds in accordance with this paragraph and''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2003.

SEC. 729. REPORTS.

(a) INTERIM REPORT.—Not later than February 1, 2004, the Secretary of Defense and Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs and the Committees on Armed Services of the Senate and House of Representatives a joint report on their conduct of each of the programs under this Act through the end of the preceding fiscal year. The Secretaries shall include in the report a description of the measures taken, or planned to be taken, to implement the health resources sharing project under section 724 and the other provisions of this Act and any cost savings anticipated, or cost sharing achieved, at facilities participating in the project. The report shall also include information on improvements in access to care, quality, and timeliness, as well as impediments encountered and legislative recommendations to ameliorate such impediments.

(b) ANNUAL REPORT ON USE OF WAIVER AUTHORITY.—Not later than one year after the date of the enactment of this Act, and annually thereafter through completion of the project under section 724, the two Secretaries shall submit to the committees of Congress specified in subsection (a) a joint report on the use of the waiver authority provided by section 724(e)(1). The report shall include a statement of the numbers and types of requests for waivers under that section of administrative policies that have been made during the period covered by the report and, for each such request, an explanation of the content of each request, the intended purpose or result of the requested waiver, and the disposition of each request. The report also shall include descriptions of any new administrative policies that enhance the success of the project.

(c) PHARMACY BENEFITS REPORT.—Not later than one year after pharmaceutical services are first provided pursuant to section 724(d)(1), the two Secretaries shall submit to the committees of Congress specified in subsection (a) a joint report on access by beneficiaries of each department to pharmaceutical services of the other department. The report shall describe the advantages and disadvantages to the beneficiaries and the Departments of providing such access and any other matters related to such pharmaceutical services that the Secretaries consider pertinent, together with any legislative recommendations for expanding or canceling such services.

(d) ANNUAL REPORT ON PILOT PROGRAM FOR GRADUATE MEDICAL EDUCATION.—Not later than January 31, 2004, and January 31 of each year thereafter through 2009, the two Secretaries shall submit to Congress a joint report on the pilot program under section 727. The report for any year shall cover activities under the program during the preceding year and shall include each Secretary's assessment of the efficacy of providing education and training under that program.

TITLE VIII—ACQUISITION POLICY, ACQUISITION MANAGEMENT, AND RELATED MATTERS

SEC. 801. PLAN FOR ACQUISITION MANAGEMENT PROFESSIONAL EXCHANGE PILOT PROGRAM.

(a) PLAN REQUIRED.—(1) The Secretary of Defense shall develop a plan for a pilot program under which—

(A) an individual in the field of acquisition management employed by the Department of Defense may be temporarily assigned to work in a private sector organization; and

(B) an individual in such field employed by a private sector organization may be temporarily assigned to work in the Department of Defense.

(2) In developing the plan under paragraph (1), the Secretary shall address the following:

(A) The benefits of undertaking such a program.

(B) The appropriate length of assignments under the program.

(C) Whether an individual assigned under the program should be compensated by the organization to which the individual is assigned, or the organization from which the individual is assigned.

(D) The ethics guidelines that should be applied to the program and, if necessary, waivers of ethics laws that would be needed in order to make the program effective and attractive to both Government and private sector employees.

(E) An assessment of how compensation of individuals suffering employment-related injuries under the program should be addressed.

(b) SUBMISSION TO CONGRESS.—Not later than February 1, 2003, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives the plan required under subsection (a).

SEC. 802. EVALUATION OF TRAINING, KNOWLEDGE, AND RESOURCES REGARDING NEGOTIATION OF INTELLECTUAL PROPERTY ARRANGEMENTS.

(a) AVAILABILITY OF TRAINING, KNOWLEDGE, AND RESOURCES.—The Secretary of Defense shall evaluate the training, knowledge, and resources needed by the Department of Defense in order to effectively negotiate intellectual property rights using the principles of the Defense Federal Acquisition Regulation Supplement and determine whether the Department of Defense currently has in place the training, knowledge, and resources available to meet those Departmental needs.

(b) REPORT.—Not later than February 1, 2003, the Secretary of Defense shall submit to Congress a report describing—

(1) the results of the evaluation performed under subsection (a);

(2) to the extent the Department does not have adequate training, knowledge, and resources available, actions to be taken to improve training and knowledge and to make resources available to meet the Department's needs; and

(3) the number of Department of Defense legal personnel trained in negotiating intellectual property arrangements.

SEC. 803. LIMITATION PERIOD FOR TASK AND DELIVERY ORDER CONTRACTS.

Chapter 137 of title 10, United States Code, is amended—

(1) in section 2304a—

(A) in subsection (e)—

(i) by inserting ''(1)'' before ''A task''; and

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

''(2) Unless use of procedures other than competitive procedures is authorized by an exception in subsection (c) of section 2304 of this title and approved in accordance with subsection (f) of such section, competitive procedures shall be used for making such a modification.

''(3) Notice regarding the modification shall be provided in accordance with section 18 of the Office of Federal Procurement Policy Act (41 U.S.C. 416) and section 8(e) of the Small Business Act (15 U.S.C. 637(e)).''; and

(B) by striking subsection (f) and inserting the following:

''(f) LIMITATION ON CONTRACT PERIOD.—The base period of a task order contract or delivery order contract entered into under this section may not exceed five years unless a longer period is specifically authorized in a law that is applicable to such contract. The contract may be extended for an additional 5 years (for a total contract period of not more than 10 years) through modifications, options, or otherwise.''; and

(2) in section 2304b—

(A) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—A task order contract (as defined in section 2304d of this title) for procurement of advisory and assistance services shall be subject to the requirements of this section, sections 2304a and 2304c of this title, and other applicable provisions of law.'';

(B) by striking subsections (b), (f), and (g) and redesignating subsections (c), (d), (e), (h), and (i) as subsections (b) through (f);

(C) by amending subsection (c) (as redesignated by subparagraph (B)) to read as follows:

''(c) REQUIRED CONTENT OF CONTRACT.—A task order contract described in subsection (a) shall contain the same information that is required by section 2304a(b) to be included in the solicitation of offers for that contract.''; and

(D) in subsection (d) (as redesignated by subparagraph (B))—

(i) in paragraph (1), by striking ''under this section'' and inserting ''described in subsection (a)''; and

(ii) in paragraph (2), by striking ''under this section''.

SEC. 804. ONE-YEAR EXTENSION OF PROGRAM APPLYING SIMPLIFIED PROCEDURES TO CERTAIN COMMERCIAL ITEMS; REPORT.

(a) EXTENSION OF PILOT PROGRAM.—Section 4202 of the Clinger-Cohen Act of 1996 (divisions D and E of Public Law 104–106; 110 Stat. 652; 10 U.S.C. 2304 note) is amended in subsection (e) by striking ''January 1, 2003'' and inserting ''January 1, 2004''.

(b) REPORT REQUIRED.—Not later than January 15, 2003, the Secretary of Defense shall submit to Congress a report on whether the authority to issue solicitations for purchases of commercial items in excess of the simplified acquisition threshold pursuant to the special simplified procedures authorized by section 2304(g)(1) of title 10, United States Code, section 303(g)(1) of the Federal Property and Administrative Services Act of 1949, and section 31(a) of the Office of Federal Procurement Policy Act, should be made permanent.

SEC. 805. AUTHORITY TO MAKE INFLATION ADJUSTMENTS TO SIMPLIFIED ACQUISITION THRESHOLD.

Section 4(11) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(11)) is amended by inserting '', except that such amount may be adjusted by the Administrator every five years to the amount equal to $100,000 in constant fiscal year 2002 dollars (rounded to the nearest $10,000)'' before the period at the end.

SEC. 806. IMPROVEMENT OF PERSONNEL MANAGEMENT POLICIES AND PROCEDURES APPLICABLE TO THE CIVILIAN ACQUISITION WORKFORCE.

(a) PLAN REQUIRED.—The Secretary of Defense shall develop a plan for improving the personnel management policies and procedures applicable to the Department of Defense civilian acquisition workforce based on the results of the demonstration project described in section 4308 of the Clinger–Cohen Act of 1996 (division D of Public Law 104–106; 10 U.S.C. 1701 note).

(b) SUBMISSION TO CONGRESS.—Not later than February 15, 2003, the Secretary shall submit to Congress the plan required under subsection (a) and a report including any recommendations for legislative action necessary to implement the plan.

SEC. 807. MODIFICATION OF SCOPE OF BALL AND ROLLER BEARINGS COVERED FOR PURPOSES OF PROCUREMENT LIMITATION.

Section 2534(a)(5) of title 10, United States Code is amended—

(1) by striking ''225.71'' and inserting ''225.70'';

(2) by striking ''October 23, 1992'' and inserting ''April 27, 2002''; and

(3) by adding at the end the following: ''In this section the term 'ball bearings and roller bearings' includes unconventional or hybrid ball and roller bearings and cam follower bearings, ball screws, and other derivatives of ball and roller bearings.''.

SEC. 808. RAPID ACQUISITION AND DEPLOYMENT PROCEDURES.

(a) REQUIREMENT TO ESTABLISH PROCEDURES.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2396 the following new section:

''§ 2397. Rapid acquisition and deployment procedures

''(a) ESTABLISHMENT.—The Secretary of Defense shall establish tailored rapid acquisition and deployment procedures for items urgently needed to react to an enemy threat or to respond to significant and urgent safety situations.

''(b) PROCEDURES.—The procedures established under subsection (a) shall include the following:

''(1) A process for streamlined communications between the Chairman of the Joint Chiefs of Staff, the acquisition community, and the testing community.

''(2) A process for expedited technical, programmatic, and financial decisions.

''(3) An expedited procurement and contracting process.

''(c) SPECIFIC STEPS TO BE INCLUDED.—The procedures established under subsection (a) shall provide for the following:

''(1) The commander of a unified combatant command may notify the Chairman of the Joint Chiefs of Staff of the need for an item described in subsection (a) that is currently under development.

''(2) The Chairman may request the Secretary of Defense to use rapid acquisition and deployment procedures with respect to the item.

''(3) The Secretary of Defense shall decide whether to use such procedures with respect to the item and shall notify the Secretary of the appropriate military department of the decision.

''(4) If the Secretary of Defense decides to use such procedures with respect to the item, the Secretary of the military department shall prepare a funding strategy for the rapid acquisition of the item and shall conduct a demonstration of the performance of the item.

''(5) The Director of Operational Test and Evaluation shall immediately evaluate the existing capability of the item (but under such evaluation shall not assess the capability of the item as regards to the function the item was originally intended to perform).

''(6) The Chairman of the Joint Chiefs of Staff shall review the evaluation of the Director of Operational Test and Evaluation and report to the Secretary of Defense regarding whether the capabilities of the tested item are able to meet the urgent need for the item.

''(7) The Secretary of Defense shall evaluate the information regarding funding and rapid acquisition prepared pursuant to paragraph (4) and approve or disapprove of the acquisition of the item using the procedures established pursuant to subsection (a).

''(d) LIMITATION.—The quantity of items of a system procured using the procedures established under this section may not exceed the number established for low-rate initial production for the system, and any such items shall be counted for purposes of the number of items of the system that may be procured through low-rate initial production.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2396 the following new item:

''2397. Rapid acquisition and deployment procedures.''.

SEC. 809. QUICK-REACTION SPECIAL PROJECTS ACQUISITION TEAM.

(a) ESTABLISHMENT.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2402 the following new section:

''§ 2403. Quick-reaction special projects acquisition team

''The Secretary of Defense shall establish a quick-reaction special projects acquisition team, the purpose of which shall be to advise the Secretary on actions that can be taken to expedite the procurement of urgently needed systems. The team shall address problems with the intention of creating expeditious solutions relating to—

''(1) industrial-base issues such as the limited availability of suppliers;

''(2) compliance with acquisition regulations and lengthy procedures;

''(3) compliance with environmental requirements;

''(4) compliance with requirements regarding small-business concerns; and

''(5) compliance with requirements regarding the purchase of products made in the United States.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2402 the following new item:

''2403. Quick-reaction special projects acquisition team.''.

SEC. 810. REPORT ON DEVELOPMENT OF ANTI-CYBERTERRORISM TECHNOLOGY.

Not later than February 1, 2003, the Secretary of Defense shall submit to Congress a report on—

(1) efforts by the Department of Defense to enter into contracts with private entities to develop anticyberterrorism technology; and

(2) whether such efforts should be increased.

SEC. 811. CONTRACTING WITH FEDERAL PRISON INDUSTRIES.

(a) ASSURING BEST VALUE FOR NATIONAL DEFENSE AND HOMELAND SECURITY.—(1) The Department of Defense or one of the military departments may acquire a product or service from Federal Prison Industries, Inc. only if such acquisition is made through a procurement contract awarded and administered in accordance with chapter 137 of title 10, United States Code, the Federal Acquisition Regulation, and the Department of Defense supplements to such regulation. If a contract is to be awarded to Federal Prison Industries, Inc. by the Department of Defense through other than competitive procedures, authority for such award shall be based upon statutory authority other than chapter 307 of title 18, United States Code.

(2) The Secretary of Defense shall assure that—

(A) no purchase of a product or a service is made by the Department of Defense from Federal Prison Industries, Inc. unless the contracting officer determines that—

(i) the product or service can be timely furnished and will meet the performance needs of the activity that requires the product or service; and

(ii) the price to be paid does not exceed a fair market price determined by competition or a fair and reasonable price determined by price analysis or cost analysis; and

(B) Federal Prison Industries, Inc. performs its contractual obligations to the same extent as any other contractor for the Department of Defense.

(b) PERFORMANCE AS A SUBCONTRACTOR.—(1) The use of Federal Prison Industries, Inc. as a subcontractor or supplier shall be a wholly voluntary business decision by a Department of Defense prime contractor or subcontractor, subject to any prior approval of subcontractors or suppliers by the contracting officer which may be imposed by regulation or by the contract.

(2) A defense contractor (or subcontractor at any tier) using Federal Prison Industries, Inc. as a subcontractor or supplier in furnishing a commercial product pursuant to a contract shall implement appropriate management procedures to prevent introducing an inmate-produced product or inmate-furnished services into the commercial market.

(3) Except as authorized under the Federal Acquisition Regulation, the use of Federal Prison Industries, Inc. as a subcontractor or supplier of products or provider of services shall not be imposed upon prospective or actual defense prime contractors or subcontractors at any tier by means of—

(A) a contract solicitation provision requiring a contractor to offer to make use of Federal Prison Industries, Inc. its products or services;

(B) specifications requiring the contractor to use specific products or services (or classes of products or services) offered by Federal Prison Industries, Inc. in the performance of the contract;

(C) any contract modification directing the use of Federal Prison Industries, Inc. its products or services; or

(D) any other means.

(c) PROTECTION OF CLASSIFIED AND SENSITIVE INFORMATION.—The Secretary of Defense shall assure that Federal Prison Industries, Inc. is not permitted to provide services as a contractor or subcontractor at any tier, if an inmate worker has access to—

(1) data that is classified or will become classified after being merged with other data;

(2) geographic data regarding the location of surface and subsurface infrastructure providing communications, water and electrical power distribution, pipelines for the distribution of natural gas, bulk petroleum products and other commodities, and other utilities; or

(3) personal or financial information about individual private citizens, including information relating to such person's real property, however described, without giving prior notice to such persons or class of persons to the greatest extent practicable.

(d) REGULATORY IMPLEMENTATION.—

(1) PROPOSED REGULATIONS.—Proposed revisions to the Department of Defense Supplement to the Federal Acquisition Regulation to implement this section shall be published not later than 90 days after the date of enactment of this Act and provide not less than 60 days for public comment.

(2) FINAL REGULATIONS.—Final regulations shall be published not later than 180 days after the date of the enactment of this Act and shall be effective on the date that is 30 days after the date of publication.

SEC. 812. RENEWAL OF CERTAIN PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENTS AT FUNDING LEVELS AT LEAST SUFFICIENT TO SUPPORT EXISTING PROGRAMS.

Section 2413 of title 10, United States Code, is amended by adding at the end the following new subsection:

''(d) With respect to any eligible entity that has successfully performed under a cooperative agreement entered into under subsection (a), the Secretary shall strive, to the greatest extent practicable and subject to appropriations, to renew such agreement with such entity at a level of funding which is at least equal to the level of funding under the cooperative agreement being renewed.''.

TITLE IX—DEPARTMENT OF DEFENSE ORGANIZATION AND MANAGEMENT

SEC. 901. CHANGE IN TITLE OF SECRETARY OF THE NAVY TO SECRETARY OF THE NAVY AND MARINE CORPS.

(a) CHANGE IN TITLE.—The position of the Secretary of the Navy is hereby redesignated as the Secretary of the Navy and Marine Corps.

(b) REFERENCES.—Any reference to the Secretary of the Navy in any law, regulation, document, record, or other paper of the United States shall be considered to be a reference to the Secretary of the Navy and Marine Corps.

SEC. 902. REPORT ON IMPLEMENTATION OF UNITED STATES NORTHERN COMMAND.

Not later than September 1, 2002, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report providing an implementation plan for the United States Northern Command. The report shall address the following:

(1) The required budget for standing-up and maintaining that command.

(2) The location of the headquarters of that command and alternatives considered for that location, together with the criteria used in selection of that location.

(3) The required manning levels for the command, the effect that command will have on current Department of Defense personnel resources, and the other commands from which personnel will be transferred to provide personnel for that command.

(4) The chain of command within that command to the component command level and a review of permanently assigned or tasked organizations and units.

(5) The relationship of that command to the Office of Homeland Security and the Homeland Security Council, to other Federal departments and agencies, and to State and local law enforcement agencies.

(6) The relationship of that command with the National Guard Bureau, individual State National Guard Headquarters, and civil first responders to ensure continuity of operational plans.

(7) The legal implications of military forces in their Federal capacity operating on United States territory.

(8) The status of Department of Defense consultations—

(A) with Canada regarding Canada's role in, and any expansion of mission for, the North American Air Defense Command; and

(B) with Mexico regarding Mexico's role in the United States Northern Command.

(9) The status of Department of Defense consultations with NATO member nations on efforts to transfer the Supreme Allied Command for the Atlantic from dual assignment with the position of commander of the United States Joint Forces Command.

(10) The revised mission, budget, and personnel resources required for the United States Joint Forces Command.

SEC. 903. NATIONAL DEFENSE MISSION OF COAST GUARD TO BE INCLUDED IN FUTURE QUADRENNIAL DEFENSE REVIEWS.

Section 118(d) of title 10, United States Code, is amended—

(1) by redesignating paragraph (14) as paragraph (15); and

(2) by inserting after paragraph (13) the following new paragraph:

''(14) The national defense mission of the Coast Guard.''.

SEC. 904. CHANGE IN YEAR FOR SUBMISSION OF QUADRENNIAL DEFENSE REVIEW.

Section 118(a) of title 10, United States Code, is amended by striking ''during a year'' and inserting ''during the second year''.

SEC. 905. REPORT ON EFFECT OF OPERATIONS OTHER THAN WAR ON COMBAT READINESS OF THE ARMED FORCES.

(a) REPORT REQUIRED.—Not later than February 28, 2004, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report on the effect on the combat readiness of the Armed Forces of operations other than war in which the Armed Forces are participating as of the date of the enactment of this Act (hereinafter in this section referred to as ''current operations other than war''). Such report shall address any such effect on combat readiness for the Armed Forces as a whole and separately for the active components and the reserve components.

(b) OPERATIONS OTHER THAN WAR.—For purposes of this section, the term ''operations other than war'' includes the followng:

(1) Humanitarian operations.

(2) Counter-drug operations.

(3) Peace operations.

(4) Nation assistance.

(c) MATTERS TO BE ADDRESSED.—The report shall, at a minimum, address the following (shown both for the Armed Forces as a whole and separately for the active components and the reserve components):

(1) With respect to each current operation other than war, the number of members of the Armed Forces who are—

(A) directly participating in the operation;

(B) supporting the operation;

(C) preparing to participate or support an upcoming rotation to the operation; or

(D) recovering and retraining following participation in the operation.

(2) The cost to the Department of Defense in time, funds, resources, personnel, and equipment to prepare for, conduct, and recover and retrain from each such operation.

(3) The effect of participating in such operations on performance, retention, and readiness of individual members of the Armed Forces.

(4) The effect of such operations on the readiness of forces and units participating, preparing to participate, and returning from participation in such operations.

(5) The effect that such operations have on forces and units that do not, have not, and will not participate in them.

(6) The contribution to United States national security and to regional stability of participation by the United States in such operations, to be assessed after receiving the views of the commanders of the regional unified combatant commands.

(d) CLASSIFICATION OF REPORT.—The report may be provided in classified or unclassified form as necessary.

SEC. 906. CONFORMING AMENDMENT TO REFLECT DISESTABLISHMENT OF DEPARTMENT OF DEFENSE CONSEQUENCE MANAGEMENT PROGRAM INTEGRATION OFFICE.

Section 12310(c)(3) of title 10, United States Code, is amended by striking ''only—'' and all that follows through ''(B) while assigned'' and inserting ''only while assigned''.

SEC. 907. AUTHORITY TO ACCEPT GIFTS FOR NATIONAL DEFENSE UNIVERSITY.

(a) IN GENERAL.—Section 2605 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' after ''administration of''; and

(B) by inserting before the period at the end of the first sentence '', or (2) the National Defense University'';

(2) in subsection (b)—

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

(B) by striking ''subsection (a)'' and inserting ''subsection (a)(1)'';

(C) by designating the last sentence as paragraph (3) and in that sentence by inserting ''or for the benefit or use of the National Defense University, as the case may be,'' after ''schools,''; and

(D) by inserting before paragraph (3), as designated by subparagraph (C), the following:

''(2) There is established in the Treasury a fund to be known as the 'National Defense University Gift Fund'. Gifts of money, and the proceeds of the sale of property, received under subsection (a)(2) shall be deposited in the Fund.'';

(3) in subsection (d)(1)(A), by inserting ''and the National Defense University Gift Fund'' before the semicolon; and

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

''(h) In this section, the term 'National Defense University' includes any school or other component of the National Defense University.''.

(b) CLERICAL AMENDMENT.—(1) The heading of such section is amended to read as follows:

''§ 2605. Acceptance of gifts for defense dependents' schools and National Defense University''.

(2) The item relating to such section in the table of sections at the beginning of chapter 151 of such title is amended to read as follows:

''2605. Acceptance of gifts for defense dependents' schools and National Defense University.''.

TITLE X—GENERAL PROVISIONS

Subtitle A—Financial Matters

SEC. 1001. TRANSFER AUTHORITY.

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in this division for fiscal year 2003 between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations that the Secretary may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON AUTHORIZATION AMOUNTS.—A transfer made from one account to another under the authority of this section shall be deemed to increase the amount authorized for the account to which the amount is transferred by an amount equal to the amount transferred.

(d) NOTICE TO CONGRESS.—The Secretary shall promptly notify Congress of each transfer made under subsection (a).

SEC. 1002. AUTHORIZATION OF SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2002.

(a) DOD AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Defense for fiscal year 2002 in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to the following:

(1) Chapter 3 of the Emergency Supplemental Act, 2002 (division B of Public Law 107–117; 115 Stat. 2299).

(2) Any Act enacted after May 1, 2002, making supplemental appropriations for fiscal year 2002 for the military functions of the Department of Defense.

(b) NNSA AUTHORIZATIONS.—Amounts authorized to be appropriated to the Department of Energy for fiscal year 2002 in the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) are hereby adjusted, with respect to any such authorized amount, by the amount by which appropriations pursuant to such authorization are increased (by a supplemental appropriation) or decreased (by a rescission), or both, or are increased by a transfer of funds, pursuant to the following:

(1) Chapter 5 of the Emergency Supplemental Act, 2002 (division B of Public Law 107–117; 115 Stat. 2307).

(2) Any Act enacted after May 1, 2002, making supplemental appropriations for fiscal year 2002 for the atomic energy defense activities of the Department of Energy.

(c) LIMITATION ON TRANSFERS PENDING SUBMISSION OF REPORT.—Any amount provided for the Department of Defense for fiscal year 2002 through a so-called 'transfer account'', including the Defense Emergency Response Fund or any other similar account, may be transferred to another account for obligation only after the Secretary of Defense submits to the congressional defense committees a report stating, for each such transfer, the amount of the transfer, the appropriation account to which the transfer is to be made, and the specific purpose for which the transferred funds will be used.

(d) EMERGENCY DESIGNATION REQUIREMENT.—(1) In the case of a pending contingent emergency supplemental appropriation for the military functions of the Department of Defense or the atomic energy defense activities of the Department of Energy, an adjustment may be made under subsection (a) or (b) in the amount of an authorization of appropriations by reason of that supplemental appropriation only if, and to the extent that, the President transmits to Congress an official budget request for that appropriation that designates the entire amount requested as an emergency requirement.

(2) For purposes of this subsection, the term ''contingent emergency supplemental appropriation'' means a supplemental appropriation that—

(A) is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985; and

(B) by law is available only to the extent that the President transmits to the Congress an official budget request for that appropriation that includes designation of the entire amount of the request as an emergency requirement.

SEC. 1003. UNIFORM STANDARDS THROUGHOUT DEPARTMENT OF DEFENSE FOR EXPOSURE OF PERSONNEL TO PECUNIARY LIABILITY FOR LOSS OF GOVERNMENT PROPERTY.

(a) EXTENSION OF ARMY AND AIR FORCE REPORT-OF-SURVEY PROCEDURES TO NAVY AND MARINE CORPS AND ALL DOD CIVILIAN EMPLOYEES.—(1) Chapter 165 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2787. Reports of survey

''(a) REGULATIONS.—Under such regulations as the Secretary of Defense may prescribe, any officer of the Army, Navy, Air Force, or Marine Corps or any civilian employee of the Department of Defense designated by the Secretary may act upon reports of surveys and vouchers pertaining to the loss, spoilage, unserviceability, unsuitability, or destruction of, or damage to, property of the United States under the control of the Department of Defense.

''(b) FINALITY OF ACTION.—Action taken under subsection (a) is final, except that action holding a person pecuniarily liable for loss, spoilage, destruction, or damage is not final until approved by the Secretary.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''2787. Reports of survey.''.

(b) EXTENSION TO MEMBERS OF THE NAVY AND MARINE CORPS OF PAY DEDUCTION AUTHORITY PERTAINING TO DAMAGE OR REPAIR OF ARMS AND EQUIPMENT .—Section 1007(e) of title 37, United States Code, is amended by striking ''Army or the Air Force'' and inserting ''Army, Navy, Air Force, or Marine Corps''.

(c) REPEAL OF SUPERCEDED PROVISIONS.—(1) Sections 4835 and 9835 of title 10, United States Code, are repealed.

(2)(A) The table of sections at the beginning of chapter 453 of such title is amended by striking the item relating to section 4835.

(B) The table of sections at the beginning of chapter 953 of such title is amended by striking the item relating to section 9835.

SEC. 1004. ACCOUNTABLE OFFICIALS IN THE DEPARTMENT OF DEFENSE.

(a) ACCOUNTABLE OFFICIALS WITHIN THE DEPARTMENT OF DEFENSE.—Chapter 165 of title 10, United States Code, is amended by inserting after section 2773 the following new section:

"§ 2773a. Departmental accountable officials

''(a) DESIGNATION.—(1) The Secretary of Defense may designate as a 'departmental accountable official' any civilian employee of the Department of Defense or member of the armed forces under the Secretary's jurisdiction who is described in paragraph (2). Any such designation shall be in writing.

''(2) An employee or member of the armed forces described in this paragraph is an employee or member who is responsible in the performance of the employee's or member's duties for providing to a certifying official of the Department of Defense information, data, or services that are directly relied upon by the certifying official in the certification of vouchers for payment.

''(b) PECUNIARY LIABILITY.—(1) The Secretary of Defense may impose pecuniary liability on a departmental accountable official to the extent that an illegal, improper, or incorrect payment results from the information, data, or services that that official provides to a certifying official and upon which the certifying official directly relies in certifying the voucher supporting that payment.

''(2) The pecuniary liability of a departmental accountable official under this subsection for such an illegal, improper, or incorrect payment is joint and several with that of any other officials who are pecuniarily liable for such payment.

''(c) RELIEF FROM LIABILITY.—The Secretary of Defense shall relieve a departmental accountable official from liability under subsection (b) if the Secretary determines that the illegal, improper, or incorrect payment was not the result of fault or negligence by that official.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2773 the following new item:

''2773a. Departmental accountable officials.''.

SEC. 1005. IMPROVEMENTS IN PURCHASE CARD MANAGEMENT.

(a) IN GENERAL.—Section 2784 of title 10, United States Code, is amended to read as follows:

"§ 2784. Management of purchase cards

''(a) MANAGEMENT OF PURCHASE CARDS.—The Secretary of Defense, acting through the Under Secretary of Defense (Comptroller), shall prescribe regulations governing the use and control of all purchase cards and convenience checks that are issued to Department of Defense personnel for official use. Those regulations shall be consistent with regulations that apply Government-wide regarding use of purchase cards by Government personnel for official purposes.

''(b) REQUIRED SAFEGUARDS AND INTERNAL CONTROLS.—Regulations under subsection (a) shall include safeguards and internal controls to ensure the following:

''(1) That there is a record in the Department of Defense of each holder of a purchase card issued by the Department of Defense for official use, annotated with the limitations on amounts that are applicable to the use of each such card by that purchase card holder.

''(2) That the holder of a purchase card and each official with authority to authorize expenditures charged to the purchase card are responsible for—

''(A) reconciling the charges appearing on each statement of account for that purchase card with receipts and other supporting documentation; and

''(B) forwarding that statement after being so reconciled to the designated disbursing office in a timely manner.

''(3) That any disputed purchase card charge, and any discrepancy between a receipt and other supporting documentation and the purchase card statement of account, is resolved in the manner prescribed in the applicable Government-wide purchase card contract entered into by the Administrator of General Services.

''(4) That payments on purchase card accounts are made promptly within prescribed deadlines to avoid interest penalties.

''(5) That rebates and refunds based on prompt payment on purchase card accounts are properly recorded.

''(6) That records of each purchase card transaction (including records on associated contracts, reports, accounts, and invoices) are retained in accordance with standard Government policies on the disposition of records.

''(7) That an annual review is performed of the use of purchase cards issued by the Department of Defense to determine whether each purchase card holder has a need for the purchase card.

''(8) That the Inspectors General of the Department of Defense and the military services perform periodic audits with respect to the use of purchase cards issued by the Department of Defense to ensure that such use is in compliance with regulations.

''(9) That appropriate annual training is provided to each purchase card holder and each official with responsibility for overseeing the use of purchase cards issued by the Department of Defense.

''(c) PENALTIES FOR VIOLATIONS.—The Secretary shall provide in the regulations prescribed under subsection (a)—

''(1) that procedures are implemented providing for appropriate punishment of employees of the Department of Defense for violations of such regulations and for negligence, misuse, abuse, or fraud with respect to a purchase card, including dismissal in appropriate cases; and

''(2) that a violation of such regulations by a person subject to chapter 47 of this title (the Uniform Code of Military Justice) is punishable as a violation of section 892 of this title (article 92 of the Uniform Code of Military Justice).''.

(b) CLERICAL AMENDMENT.—The item relating to section 2784 in the table of sections at

the beginning of chapter 165 of such title is amended to read as follows:

''2784. Management of purchase cards.''.

SEC. 1006. AUTHORITY TO TRANSFER FUNDS WITHIN A MAJOR ACQUISITION PROGRAM FROM PROCUREMENT TO RDT&E.

(a) PROGRAM FLEXIBILITY.—(1) Chapter 131 of title 10, United States Code, is amended by inserting after section 2214 the following new section:

''§ 2214a. Transfer of funds: transfers from procurement accounts to research and development accounts for major acquisition programs

''(a) TRANSFER AUTHORITY WITHIN MAJOR PROGRAMS.—Subject to subsection (b), the Secretary of Defense may transfer amounts provided in an appropriation Act for procurement for a covered acquisition program to amounts provided in the same appropriation Act for research, development, test, and evaluation for that program.

''(b) CONGRESSIONAL NOTICE-AND-WAIT.—A transfer may be made under this section only after—

''(1) the Secretary submits to the congressional defense committees notice in writing of the Secretary's intent to make such transfer, together with the Secretary's justification for the transfer; and

''(2) a period of 30 days has elapsed following the date of such notification.

''(c) LIMITATIONS.—From amounts appropriated for the Department of Defense for any fiscal year for procurement—

''(1) the total amount transferred under this section may not exceed $250,000,000; and

''(2) the total amount so transferred for any acquisition program may not exceed $20,000,000.

''(d) COVERED ACQUISITION PROGRAMS.—In this section, the term 'covered acquisition program' means an acquisition program of the Department of Defense that is—

''(A) a major defense acquisition program for purposes of chapter 144 of this title; or

''(B) any other acquisition program of the Department of Defense—

''(i) that is designated by the Secretary of Defense as a covered acquisition program for purposes of this section; or

''(ii) that is estimated by the Secretary of Defense to require an eventual total expenditure for research, development, test, and evaluation of more than $140,000,000 (based on fiscal year 2000 constant dollars) or an eventual total expenditure for procurement of more than $660,000,000 (based on fiscal year 2000 constant dollars.)

''(e) TRANSFER BACK OF UNUSED TRANSFERRED FUNDS.—If funds transferred under this section are not used for the purposes for which transferred, such funds shall be transferred back to the account from which transferred and shall be available for their original purpose.

''(f) ADDITIONAL AUTHORITY.—The transfer authority provided in this section is in addition to any other transfer authority available to the Secretary of Defense.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2214 the following new item:

''2214a. Transfer of funds: transfers from procurement accounts to research and development accounts for major acquisition programs.''.

(b) EFFECTIVE DATE.—Section 2214a of title 10, United States Code, as added by subsection (a), shall not apply with respect to funds appropriated before the date of the enactment of this Act.

SEC. 1007. DEVELOPMENT AND PROCUREMENT OF FINANCIAL AND NONFINANCIAL MANAGEMENT SYSTEMS.

(a) REPORT.—Not later than March 1, 2003, the Secretary of Defense shall submit to the congressional defense committees a report on the modernization of the Department of Defense's financial management systems and operations. The report shall include the following:

(1) The goals and objectives of the Financial Management Modernization Program.

(2) The acquisition strategy for that Program, including milestones, performance metrics, and financial and nonfinancial resource needs.

(3) A listing of all operational and developmental financial and nonfinancial management systems in use by the Department, the related costs to operate and maintain those systems during fiscal year 2002, and the estimated cost to operate and maintain those systems during fiscal year 2003.

(4) An estimate of the completion date of a transition plan that will identify which of the Department's operational and developmental financial management systems will not be part of the objective financial and nonfinancial management system and that provides the schedule for phase out of those legacy systems.

(b) LIMITATIONS.—(1) A contract described in subsection (c) may be entered into using funds made available to the Department of Defense for fiscal year 2003 only with the approval in advance in writing of the Under Secretary of Defense (Comptroller).

(2) Not more than 75 percent of the funds authorized to be appropriated in section 201(4) for research, development, test, and evaluation for the Department of Defense Financial Modernization Program (Program Element 65016D8Z) may be obligated until the report required by subsection (a) is received by the congressional defense committees.

(c) COVERED CONTRACTS.—Subsection (b)(1) applies to a contract for the procurement of any of the following:

(1) An enterprise architecture system.

(2) A finance or accounting system.

(3) A nonfinancial business and feeder system.

(4) An upgrade to any system specified in paragraphs (1) through (3).

(d) DEFINITIONS.—As used in this section:

(1) FINANCIAL MANAGEMENT SYSTEM AND OPERATIONS.—The term ''financial management system and operations'' means financial, financial related, and non-financial business operations and systems used for acquisition programs, transportation, travel, property, inventory, supply, medical, budget formulation, financial reporting, and accounting. Such term includes the automated and manual processes, procedures, controls, data, hardware, software, and support personnel dedicated to the operations and maintenance of system functions.

(2) FEEDER SYSTEMS.—The term ''feeder systems'' means financial portions of mixed systems.

(3) DEVELOPMENTAL SYSTEMS AND PROJECTS.—The term ''developmental systems and projects'' means any system that has not reached Milestone C, as defined in the Department of Defense 5000–series regulations.

Subtitle B—Reports

SEC. 1011. AFTER-ACTION REPORTS ON THE CONDUCT OF MILITARY OPERATIONS CONDUCTED AS PART OF OPERATION ENDURING FREEDOM.

(a) REPORT REQUIRED.—(1) The Secretary of Defense shall submit to the congressional committees specified in subsection (c) two reports on the conduct of military operations conducted as part of Operation Enduring Freedom. The first report (which shall be an interim report) shall be submitted not later than June 15, 2003. The second report shall be submitted not later than 180 days after the date (as determined by the Secretary of Defense) of the cessation of hostilities undertaken as part of Operation Enduring Freedom.

(2) Each report shall be prepared in consultation with the Chairman of the Joint Chiefs of Staff, the commander-in-chief of the United States Central Command, and the Director of Central Intelligence.

(3) Each report shall be submitted in both a classified form and an unclassified form.

(b) MATTERS TO BE INCLUDED.—Each report shall contain a discussion of accomplishments and shortcomings of the overall military operation. The report shall specifically include the following:

(1) A discussion of the command, control, coordination, and support relationship between United States Special Operations Forces and Central Intelligence Agency elements participating in Operation Enduring Freedom and any lessons learned from the joint conduct of operations by those forces and elements.

(2) Recommendations to improve operational readiness and effectiveness.

(c) CONGRESSIONAL COMMITTEES.—The committees referred to in subsection (a)(1) are the following:

(1) The Committee on Armed Services and the Select Committee on Intelligence of the Senate.

(2) The Committee on Armed Services and the Permanent Select Committee on Intelligence of the House of Representatives.

SEC. 1012. REPORT ON BIOLOGICAL WEAPONS DEFENSE AND COUNTER-PROLIFERATION.

(a) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report—

(1) describing programs and initiatives to halt, counter, and defend against the development, production, and proliferation of biological weapons agents, technology, and expertise to terrorist organizations and other States; and

(2) including a detailed list of the limitations and impediments to the biological weapons defense, nonproliferation, and counterproliferation efforts of the Department of Defense, and recommendations to remove such impediments and to make such efforts more effective.

(b) CLASSIFICATION.—The report may be submitted in unclassified or classified form as necessary.

SEC. 1013. REQUIREMENT THAT DEPARTMENT OF DEFENSE REPORTS TO CONGRESS BE ACCOMPANIED BY ELECTRONIC VERSION.

Section 480(a) of title 10, United States Code, is amended by striking ''shall, upon request'' and all that follows through ''(or each'' and inserting ''shall provide to Congress (or''.

SEC. 1014. STRATEGIC FORCE STRUCTURE PLAN FOR NUCLEAR WEAPONS AND DELIVERY SYSTEMS.

(a) PLAN REQUIRED.—The Secretary of Defense and the Secretary of Energy shall jointly prepare a plan for the United States strategic force structure for nuclear weapons and nuclear weapons delivery systems for the period of fiscal years from 2002 through 2012. The plan shall—

(1) delineate a baseline strategic force structure for such weapons and systems over such period consistent with the Nuclear Posture Review dated January 2002;

(2) define sufficient force structure, force modernization and life extension plans, infrastructure, and other elements of the defense program of the United States associated with such weapons and systems that would be required to execute successfully the full range of missions called for in the national defense strategy delineated in the Quadrennial Defense Review dated September 30, 2001, under section 118 of title 10, United States Code; and

(3) identify the budget plan that would be required to provide sufficient resources to execute successfully the full range of missions using such force structure called for in that national defense strategy.

(b) REPORT.—(1) The Secretary of Defense and the Secretary of Energy shall submit a report on the plan to the congressional defense committees. Except as provided in paragraph (2), the report shall be submitted not later than January 1, 2003.

(2) If before January 1, 2003, the President submits to Congress the President's certification that it is in the national security interest of the United States that such report be submitted on a later date (to be specified by the President in the certification), such report shall be submitted not later than such later date.

(c) REPORT ON OPTIONS FOR ACHIEVING, PRIOR TO FISCAL YEAR 2012, PRESIDENT'S OBJECTIVE FOR OPERATIONALLY DEPLOYED NUCLEAR WARHEADS.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Energy shall submit to Congress a report on options for achieving, prior to fiscal year 2012, a posture under which the United States maintains a number of operationally deployed nuclear warheads at a level of from 1,700 to 2,200 such warheads, as outlined in the Nuclear Posture Review. The report shall include the following:

(1) For each of fiscal years 2006, 2008, and 2010, an assessment of the options for achieving such posture as of such fiscal year.

(2) An assessment of the effects of achieving such posture prior to fiscal year 2012 on cost, the dismantlement workforce, and any other affected matter.

SEC. 1015. REPORT ON ESTABLISHMENT OF A JOINT NATIONAL TRAINING COMPLEX AND JOINT OPPOSING FORCES.

(a) REPORT REQUIRED.—Not later than six months after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a report that outlines a plan to develop and implement a joint national training complex. Such a complex may include multiple joint training sites and mobile training ranges and appropriate joint opposing forces and shall be capable of supporting field exercises and experimentation at the operational level of war across a broad spectrum of adversary capabilities.

(b) MATTERS TO BE INCLUDED.—The report under subsection (a) shall include the following:

(1) An identification and description of the types of joint training and experimentation that would be conducted at such a joint national training complex, together with a description of how such training and experimentation would enhance accomplishment of the six critical operational goals for the Department of Defense specified at page 30 of the Quadrennial Defense Review Report of the Secretary of Defense issued on September 30, 2001.

(2) A discussion of how establishment of such a complex (including joint opposing forces) would promote innovation and transformation throughout the Department of Defense.

(3) A discussion of how results from training and experiments conducted at such a complex would be taken into consideration in the Department of Defense plans, programs, and budgeting process and by appropriate decision making bodies within the Department of Defense.

(4) A methodology, framework, and options for selecting sites for such a complex, including consideration of current training facilities that would accommodate requirements among all the Armed Forces.

(5) Options for development as part of such a complex of a joint urban warfare training center that could also be used for homeland defense and consequence management training for Federal, State, and local training.

(6) Cost estimates and resource requirements to establish and maintain such a complex, including estimates of costs and resource requirements for the use of contract personnel for the performance of management, operational, and logistics activities for such a complex .

(7) An explanation of the relationship between and among such a complex and the Department of Defense Office of Transformation, the Joint Staff, the United States Joint Forces Command, the United States Northern Command, and each element of the major commands within the separate Armed Forces with responsibility for experimentation and training.

(8) A discussion of how implementation of a joint opposing force would be established, including the feasibility of using qualified contractors for the function of establishing and maintaining joint opposing forces and the role of foreign forces.

(9) Submission of a time line to establish such a center and for such a center to achieve initial operational capability and full operational capability.

SEC. 1016. REPEAL OF VARIOUS REPORTS REQUIRED OF THE DEPARTMENT OF DEFENSE.

(a) PROVISIONS OF TITLE 10.—Title 10, United States Code, is amended as follows:

(1)(A) Section 230 is repealed.

(B) The table of sections at the beginning of chapter 9 is amended by striking the item relating to section 230.

(2) Section 526 is amended by striking subsection (c).

(3) Section 721(d) is amended—

(A) by striking paragraph (2); and

(B) by striking ''(1)'' before ''If an officer''.

(4) Section 986 is amended by striking subsection (e).

(5) Section 1095(g) is amended—

(A) by striking paragraph (2); and

(B) by striking ''(1)'' after ''(g)''.

(6) Section 1798 is amended by striking subsection (d).

(7) Section 1799 is amended by striking subsection (d).

(8) Section 2010 is amended by striking subsection (b).

(9) Section 2327(c)(1) is amended—

(A) in subparagraph (A), by striking ''after the date on which such head of an agency submits to Congress a report on the contract'' and inserting ''if in the best interests of the Government''; and

(B) by striking subparagraph (B).

(10) Section 2350f is amended by striking subsection (c).

(11) Section 2350k is amended by striking subsection (d).

(12) Section 2492 is amended by striking subsection (c).

(13) Section 2493 is amended by striking subsection (g).

(14) Section 2563(c)(2) is amended by striking ''and notifies Congress regarding the reasons for the waiver''.

(15) Section 2611 is amended by striking subsection (e).

(16) Sections 4357, 6975, and 9356 are each amended—

(A) by striking subsection (c); and

(B) in subsection (a), by striking ''Subject to subsection (c), the Secretary'' and inserting ''The Secretary''.

(17) Section 4416 is amended by striking subsection (f).

(18) Section 5721(f) is amended—

(A) by striking paragraph (2); and

(B) by striking ''(1)'' after the subsection heading.

(19) Section 12302 is amended—

(A) in subsection (b), by striking the last sentence; and

(B) by striking subsection (d).

(b) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1995.—Section 553(b) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2772; 10 U.S.C. 4331 note) is amended by striking the last sentence.

SEC. 1017. REPORT ON THE ROLE OF THE DEPARTMENT OF DEFENSE IN SUPPORTING HOMELAND SECURITY.

(a) REPORT REQUIRED.—Not later than December 31, 2002, the Secretary of Defense shall submit to the congressional defense committees a report on Department of Defense responsibilities, mission, and plans for military support of homeland security.

(b) CONTENT OF REPORT.—The report shall include, but not be limited to, a discussion of the following:

(1) Changes in organization regarding the roles, mission, and responsibilities carried out by the Department of Defense to support its homeland security mission and the reasons for those changes based upon the findings of the study and report required by section 1511 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1271).

(2) Changes in the roles, missions, and responsibilities of the Department of the Army, the Department of the Navy, and the Department of the Air Force with respect to homeland security and the reasons for such changes.

(3) Changes in the roles, missions, and responsibilities of unified commands with homeland security missions and the reasons for such changes.

(4) Changes in the roles, missions, and responsibilities of the United States Joint Forces Command and the United States Northern Command in expanded homeland security training and experimentation involving the Department of Defense and other Federal, State, and local entities, and the reasons for such changes.

(5) Changes in the roles, missions, and responsibilities of the Army National Guard and the Air National Guard in the homeland security mission of the Department of Defense, and the reasons for such changes.

(6) The status of the unconventional nuclear warfare defense test bed program established in response to title IX of the Department of Defense Appropriations Act, 2002 (division A of Public Law 107–117; 115 Stat. 2289), including the plan and program for establishing such test beds.

(7) The plans and status of the Department of Defense homeland security biological defense program, including the plans and status of—

(A) the biological counter terrorism research program;

(B) the biological defense homeland security support program;

(C) pilot programs for establishing biological defense test beds on Department of Defense installations and in selected urban areas of the United States;

(D) programs for expanding the capacity of the Department of Defense to meet increased demand for vaccines against biological agents; and

(E) any plans to coordinate Department of Defense work in biological defense programs with other Federal, State, and local programs.

(8) Recommendations for legislative changes that may be required to execute the roles and missions set forth in Department of Defense homeland security plans.

SEC. 1018. REPORT ON EFFECTS OF NUCLEAR EARTH PENETRATOR WEAPONS AND OTHER WEAPONS.

(a) NAS STUDY.—The Secretary of Defense shall request the National Academy of Sciences to conduct a study and prepare a report on the anticipated short-term and long-term effects of the use of a nuclear earth penetrator weapon on the target area, including the effects on civilian populations in proximity to the target area and on United States military personnel performing operations and battle damage assessments in the target area, and the anticipated short-term and long-term effects on the civilian population in proximity to the target area if—

(1) a non-penetrating nuclear weapon is used to destroy hard or deeply-buried targets; or

(2) a conventional high-explosive weapon is used to destroy an adversary's weapons of mass destruction storage or production facilities, and radioactive, nuclear, biological, or chemical weapons materials, agents, or other contaminants are released or spread into populated areas.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress the report under subsection (a), together with any comments the Secretary may consider appropriate on the report. The report shall be submitted in unclassified form to the maximum extent possible, with a classified annex if needed.

SEC. 1019. REPORT ON EFFECTS OF NUCLEAR-TIPPED BALLISTIC MISSILE INTERCEPTORS AND NUCLEAR MISSILES NOT INTERCEPTED.

(a) NAS STUDY.—The Secretary of Defense shall request the National Academy of Sciences to conduct a study and prepare a report on the anticipated short-term and long-term effects of the use of a nuclear-tipped ballistic missile interceptor, including the effects on civilian populations and on United States military personnel in proximity to the target area, and the immediate, short-term, and long-term effects on the civilian population of a major city of the United States, and the Nation as a whole, if a ballistic missile carrying a nuclear weapon is not intercepted and detonates directly above a major city of the United States.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to Congress the report under subsection (a), together with any comments the Secretary may consider appropriate on the report. The report shall be submitted in unclassified form to the maximum extent possible, with a classified annex if needed.

SEC. 1020. LIMITATION ON DURATION OF FUTURE DEPARTMENT OF DEFENSE REPORTING REQUIREMENTS.

(a) IN GENERAL.—Chapter 23 of title 10, United States Code, is amended by inserting after section 480 the following new section:

"§ 480a. Recurring reporting requirements: five-year limitation

"(a) FIVE-YEAR SUNSET.—Any recurring congressional defense reporting requirement that is established by a provision of law enacted on or after the date of the enactment of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 (including a provision of law enacted as part of that Act) shall cease to be effective, with respect to that requirement, at the end of the five-year period beginning on the date on which such provision is enacted, except as otherwise provided by law.

"(b) RULE OF CONSTRUCTION.—A provision of law enacted after the date of the enactment of this section may not be considered to supersede the provisions of subsection (a) unless that provision specifically refers to subsection (a) and specifically states that it supersedes subsection (a).

"(c) RECURRING CONGRESSIONAL DEFENSE REPORTING REQUIREMENTS.—In this section, the term 'recurring defense congressional reporting requirement' means a requirement by law for the submission of an annual, semi-annual, or other regular periodic report to Congress, or one or more committees of Congress, that applies only to the Department of Defense or to one or more officers of the Department of Defense.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 480 the following new item:

"480a. Recurring reporting requirements: five-year limitation.".

Subtitle C—Other Matters

SEC. 1021. SENSE OF CONGRESS ON MAINTENANCE OF A RELIABLE, FLEXIBLE, AND ROBUST STRATEGIC DETERRENT.

It is the sense of Congress that, consistent with the national defense strategy delineated in the Quadrennial Defense Review dated September 30, 2001 (as submitted under section 118 of title 10, United States Code), the Nuclear Posture Review dated January 2002, and the global strategic environment, the President should, to defend the Nation, deter aggressors and potential adversaries, assure friends and allies, defeat enemies, dissuade competitors, advance the foreign policy goals and vital interests of the United States, and generally ensure the national security of the United States, take the following actions:

(1) Maintain an operationally deployed strategic force of not less than 1,700 nuclear weapons for immediate and unexpected contingencies.

(2) Maintain a responsive force of non-deployed nuclear weapons for potential contingencies at readiness and numerical levels determined to be—

(A) essential to the execution of the Single Integrated Operational Plan; or

(B) necessary to maintain strategic flexibility and capability in accordance with the findings and conclusions of such Nuclear Posture Review.

(3) Develop advanced conventional weapons, and nuclear weapons, capable of destroying—

(A) hard and deeply buried targets; and

(B) enemy weapons of mass destruction and the development and production facilities of such enemy weapons.

(4) Develop a plan to achieve and maintain the capability to resume conducting underground tests of nuclear weapons within one year after a decision is made to resume conducting such tests, so as to have the means to maintain robust and adaptive strategic forces through a ready, responsive, and capable nuclear infrastructure, as prescribed in such Nuclear Posture Review.

(5) Develop a plan to revitalize the Nation's nuclear weapons industry and infrastructure so as to facilitate the development and production of safer, more reliable, and more effective nuclear weapons.

SEC. 1022. TIME FOR TRANSMITTAL OF ANNUAL DEFENSE AUTHORIZATION LEGISLATIVE PROPOSAL.

(a) IN GENERAL.—Chapter 2 of title 10, United States Code, is amended by inserting after section 113 the following new section:

"§ 113a. Transmission of annual defense authorization request

"(a) TIME FOR TRANSMITTAL.—The Secretary of Defense shall transmit to Congress the annual defense authorization request for a fiscal year during the first 30 days after the date on which the President transmits to Congress the budget for that fiscal year pursuant to section 1105 of title 31.

"(b) DEFENSE AUTHORIZATION REQUEST DEFINED.—In this section, the term 'defense authorization request', with respect to a fiscal year, means a legislative proposal submitted to Congress for the enactment of the following:

"(1) Authorizations of appropriations for that fiscal year, as required by section 114 of this title.

"(2) Personnel strengths for that fiscal year, as required by section 115 of this title.

"(3) Any other matter that is proposed by the Secretary of Defense to be enacted as part of the annual defense authorization bill for that fiscal year.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 113 the following new item:

"113a. Transmission of annual defense authorization request.".

SEC. 1023. TECHNICAL AND CLERICAL AMENDMENTS.

(a) TITLE 10, UNITED STATES CODE.—Title 10, United States Code, is amended as follows:

(1) Section 153 is amended by inserting "(a) PLANNING; ADVICE; POLICY FORMULATION.—" at the beginning of the text.

(2) Section 663(e)(2) is amended by striking "Armed Forces Staff College" and inserting "Joint Forces Staff College".

(3) Section 2399(a)(2) is amended—

(A) in the matter preceding subparagraph (A), by striking "means—" and inserting "means a conventional weapons system that—"; and

(B) in subparagraph (A), by striking "a conventional weapons system that".

(4)(A) Section 2410h is transferred to the end of subchapter IV of chapter 87 and is redesignated as section 1747.

(B) The item relating to that section in the table of sections at the beginning of chapter 141 is transferred to the end of the table of sections at the beginning of subchapter IV of chapter 87 and is amended to reflect the redesignation made by subparagraph (A).

(5) Section 2677 is amended by striking subsection (c).

(6) Section 2680(e) is amended by striking "the" after "the Committee on" the first place it appears.

(7) Section 2815(b) is amended by striking "for fiscal year 2003 and each fiscal year thereafter" and inserting "for any fiscal year".

(8) Section 2828(b)(2) is amended by inserting "time" after "from time to".

(b) TITLE 37, UNITED STATES CODE.—Title 37, United States Code, is amended as follows:

(1) Section 302j(a) is amended by striking "subsection (c)" and inserting "subsection (d)".

(2) Section 324(b) is amended by striking "(1)" before "The Secretary".

(c) PUBLIC LAW 107–107.—Effective as of December 28, 2001, and as if included therein as enacted, the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107) is amended as follows:

(1) Section 602(a)(2) (115 Stat. 1132) is amended by striking "an" in the first quoted matter.

(2) Section 1410(a)(3)(C) (115 Stat. 1266) by inserting "both places it appears" before "and inserting".

(3) Section 3007(d)(1)(C) (115 Stat. 1352) is amended by striking ''2905(b)(7)(B)(iv)'' and inserting ''2905(b)(7)(C)(iv)''.

(d) PUBLIC LAW 106–398.—Effective as of October 30, 2000, and as if included therein as enacted, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398) is amended as follows:

(1) Section 577(b)(2) (114 Stat. 1654A–140) is amended by striking ''Federal'' in the quoted matter and inserting ''Department of Defense''.

(2) Section 612(c)(4)(B) (114 Stat. 1654A–150) is amended by striking the comma at the end of the first quoted matter.

(e) PUBLIC LAW 106–65.—The National Defense Authorization Act for Fiscal Year 2000 (Public Law 106–65) is amended as follows:

(1) Section 573(b) (10 U.S.C. 513 note) is amended by inserting a period at the end of paragraph (2).

(2) Section 1305(6) (22 U.S.C. 5952 note) is amended by striking the first period after ''facility''.

(f) TITLE 14, UNITED STATES CODE.—Section 516(c) of title 14, United States Code, is amended by striking ''his section'' and inserting ''this section''.

SEC. 1024. WAR RISK INSURANCE FOR VESSELS IN SUPPORT OF NATO-APPROVED OPERATIONS.

Section 1205 of the Merchant Marine Act, 1936 (46 App. U.S.C. 1285) is amended by adding at the end the following:

''(c) INSURANCE OF VESSELS IN SUPPORT OF NATO-APPROVED OPERATIONS.—(1) Upon request made under subsection (b), the Secretary may provide insurance for a vessel, regardless of the country in which the vessel is registered and the citizenship of its owners, that is supporting a military operation approved by the North Atlantic Council, including a vessel that is not operating under contract with a department or agency of the United States.

''(2) If a vessel is insured under paragraph (1) in response to a request made pursuant to an international agreement providing for the sharing among nations of the risks involved in mutual or joint operations, the Secretary of Transportation, with the concurrence of the Secretary of State, may seek from another nation that is a party to such agreement a commitment to indemnify the United States for any amounts paid by the United States for claims against such insurance.

''(3) Amounts received by the United States as indemnity from a nation pursuant to paragraph (2) shall be deposited into the insurance fund created under section 1208.

''(4) Any obligation of a department or agency of the United States to indemnify the Secretary or the insurance fund for any claim against insurance provided under this subsection is extinguished to the extent of any indemnification received from a nation pursuant to paragraph (2) with respect to the claim.''.

SEC. 1025. CONVEYANCE, NAVY DRYDOCK, PORTLAND, OREGON.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may sell Navy Drydock No. YFD-69, located in Portland, Oregon, to Portland Shipyard, LLC, which is the current user of the drydock.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the purchaser agree to retain the drydock on Swan Island in Portland, Oregon, until at least September 30, 2007.

(c) CONSIDERATION.—As consideration for the conveyance of the drydock under subsection (a), the purchaser shall pay to the Secretary an amount equal to the fair market value of the drydock at the time of the conveyance, as determined by the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 1026. ADDITIONAL WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAMS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should—

(1) establish 23 additional teams designated as Weapons of Mass Destruction Civil Support Teams (for a total of 55 such teams); and

(2) ensure that of such 55 teams there is at least one team established for each State and territory.

(b) STATE AND TERRITORY DEFINED.—In this section, the term ''State and territory'' means the several States, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands.

SEC. 1027. USE FOR LAW ENFORCEMENT PURPOSES OF DNA SAMPLES MAINTAINED BY DEPARTMENT OF DEFENSE FOR IDENTIFICATION OF HUMAN REMAINS.

(a) IN GENERAL.—Chapter 80 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1566. DNA samples maintained for identification of human remains: use for law enforcement purposes

''(a) COMPLIANCE WITH COURT ORDER.—(1) Subject to paragraph (2), if a valid order of a Federal court (or military judge) so requires, an element of the Department of Defense that maintains a repository of DNA samples for the purpose of identification of human remains shall make available, for the purpose specified in subsection (b), such DNA samples on such terms and conditions as such court (or military judge) directs.

''(2) A DNA sample with respect to an individual shall be provided under paragraph (1) in a manner that does not compromise the ability of the Department of Defense to maintain a sample with respect to that individual for the purpose of identification of human remains.

''(b) COVERED PURPOSE.—The purpose referred to in subsection (a) is the purpose of an investigation or prosecution of a felony, or any sexual offense, for which no other source of DNA information is available.

''(c) DEFINITION.—In this section, the term 'DNA sample' has the meaning given such term in section 1565(c) of this title.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1566. DNA samples maintained for identification of human remains: use for law enforcement purposes.''.

SEC. 1028. SENSE OF CONGRESS CONCERNING AIRCRAFT CARRIER FORCE STRUCTURE.

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

(1) The aircraft carrier has been an integral component in Operation Enduring Freedom and in the homeland defense mission beginning on September 11, 2001. The aircraft carriers that have participated in Operation Enduring Freedom, as of May 1, 2002, are the USS Enterprise (CVN–65), the USS Carl Vinson (CVN–70), the USS Kitty Hawk (CV–63), the USS Theodore Roosevelt (CVN–71), the USS John C. Stennis (CVN–74), and the USS John F. Kennedy (CV–67). The aircraft carriers that have participated in the homeland defense mission are the USS George Washington (CVN–73), the USS John F. Kennedy (CV–67), and the USS John C. Stennis (CVN–74).

(2) Since 1945, the United States has built 172 bases overseas, of which only 24 are currently in use.

(3) The aircraft carrier provides an independent base of operations should no land base be available for aircraft.

(4) The aircraft carrier is an essential component of the Navy.

(5) Both the F/A–18E/F aircraft program and the Joint Strike Fighter aircraft program are proceeding on schedule for deployment on aircraft carriers.

(6) As established by the Navy, the United States requires the service of 15 aircraft carriers to completely fulfill all the naval commitments assigned to it without gapping carrier presence.

(7) The Navy requires, at a minimum, at least 12 carriers to accomplish its current missions.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the number of aircraft carriers of the Navy in active service should not be less than 12.

(c) COMMENDATION OF CREWS.—Congress hereby commends the crews of the aircraft carriers that have participated in Operation Enduring Freedom and the homeland defense mission.

SEC. 1029. ENHANCED AUTHORITY TO OBTAIN FOREIGN LANGUAGE SERVICES DURING PERIODS OF EMERGENCY.

(a) NATIONAL FOREIGN LANGUAGE SKILLS REGISTRY.—(1) The Secretary of Defense may establish and maintain a secure data registry to be known as the ''National Foreign Language Skills Registry''. The data registry shall consist of the names of, and other pertinent information on, linguistically qualified United States citizens and permanent resident aliens who state that they are willing to provide linguistic services in times of emergency designated by the Secretary of Defense to assist the Department of Defense and other Departments and agencies of the United States with translation and interpretation in languages designated by the Secretary of Defense as critical languages.

(2) The name of a person may be included in the Registry only if the person expressly agrees for the person's name to be included in the Registry. Any such agreement shall be made in such form and manner as may be specified by the Secretary.

(b) AUTHORITY TO ACCEPT VOLUNTARY TRANSLATION AND INTERPRETATION SERVICES.—Section 1588(a) of title 10, United States Code, is amended by adding at the end the following new paragraph:

''(6) Language translation and interpretation services.''.

SEC. 1030. SURFACE COMBATANT INDUSTRIAL BASE.

(a) REVIEW.—The Secretary of Defense shall conduct a review of the effect of the contract award announced on April 29, 2002, for the lead design agent for the DD(X) ship program on the industrial base for ship combat system development, including the industrial base for each of the following: ship systems integration, radar, electronic warfare, launch systems, and other components.

(b) REPORT REQUIRED.—Not later than March 31, 2003, the Secretary shall submit to the congressional defense committees a report based on the review under subsection (a). The report shall provide the Secretary's assessment of the effect of that contract award on the ship combat system technology and industrial base and shall describe any actions that the Secretary proposes to ensure future competition across the array of technologies that encompass the combat systems of future surface ships, including the next generation cruiser (CG(X)), the littoral combat ship (LCS), and the joint command ship (JCC(X)).

SEC. 1031. ENHANCED COOPERATION BETWEEN UNITED STATES AND RUSSIAN FEDERATION TO PROMOTE MUTUAL SECURITY.

(a) STATEMENT OF POLICY.—It is the policy of the United States to pursue greater cooperation, transparency, and confidence with the Russian Federation regarding nuclear weapons policy, force structure, safeguards, testing, and proliferation prevention, as well as nuclear weapons infrastructure, production, and dismantlement, so as to promote mutual security, stability, and trust.

(b) SENSE OF CONGRESS REGARDING ENHANCED COOPERATION WITH RUSSIA.—It is the sense of Congress that the President of the United States should continue to engage the President of the Russian Federation to achieve the following objectives, consistent with United States national security, in the interest of promoting mutual trust, security, and stability:

(1) An agreement that would seek to prevent the illicit use, diversion, theft, or proliferation of tactical nuclear weapons, and their key components and materials, by—

(A) withdrawing deployed nonstrategic nuclear weapons;

(B) accounting for, consolidating, and securing the Russian Federation's nonstrategic nuclear weapons; and

(C) dismantling or destroying United States and Russian nonstrategic nuclear weapons in excess of each nation's legitimate defense needs.

(2) A reciprocal program of joint visits by nuclear weapons scientists and experts of the United States and the Russian Federation to the United States nuclear test site in Nevada, and the Russian nuclear test site at Novya Zemlya.

(3) A reciprocal program of joint visits and conferences at each nation's nuclear weapons laboratories and nuclear weapons development and production facilities to discuss how to improve the safety and security of each nation's nuclear stockpile, nuclear materials, and nuclear infrastructure.

(4) A reciprocal program of joint visits and conferences to explore greater cooperation between the United States and the Russian Federation with regard to ballistic missile defenses against intentional, unauthorized, and accidental launches of ballistic missiles.

(5) A joint commission on nonproliferation, composed of senior nonproliferation and intelligence officials from the United States and the Russian Federation, to meet regularly in a closed forum to discuss ways to prevent rogue states and potential adversaries from acquiring—

(A) weapons of mass destruction and ballistic missiles;

(B) the dual-use goods, technologies, and expertise necessary to develop weapons of mass destruction and ballistic missiles; and

(C) advanced conventional weapons.

(6) A joint program to develop advanced methods for disposal of weapons-grade nuclear materials excess to defense needs, including safe, proliferation resistant, advanced nuclear fuel cycles that achieve more complete consumption of weapons materials, and other methods that minimize waste and hazards to health and the environment.

(7) A joint program to develop methods for safeguarding, treating, and disposing of spent reactor fuel and other nuclear waste so as to minimize the risk to public health, property, and the environment, as well as the possibility of diversion to illicit purposes.

(8) A joint program, built upon existing programs, to cooperatively develop advanced methods and techniques for establishing a state-of-the-art inventory control and monitoring system for nuclear weapons and material.

(c) REPORT.—No later than March 1, 2003, the President shall submit to Congress a report (in unclassified or classified form as necessary) on the status of the objectives under subsection (b). The report shall include the following:

(1) A description of the actions taken by the President to engage the Russian Federation to achieve those objectives.

(2) A description of the progress made to achieve those objectives.

(3) A description of the response of the Russian Federation to the actions referred to in paragraph (1).

(4) The President's assessment of the Russian Federation's commitment to a better, closer relationship with the United States based on the principles of increased cooperation and transparency.

SEC. 1032. TRANSFER OF FUNDS TO INCREASE AMOUNTS FOR PAC–3 MISSILE PROCUREMENT AND ISRAELI ARROW PROGRAM.

(a) INCREASE FOR PAC–3 PROCUREMENT.—The amount provided in section 101 for Missile Procurement, Army, is hereby increased by $65,000,000, to be available for an additional 24 PAC–3 missiles.

(b) INCREASE FOR ISRAELI ARROW PROGRAM.—The amount provided in section 201(4) for the Missile Defense Agency is hereby increased by $70,000,000, to be available within program element 0603881C, Terminal Defense Segment, only for the Israeli Arrow Ballistic Missile Defense System program.

(c) CORRESPONDING REDUCTION.—The amount provided in section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby reduced by $135,000,000, to be derived from amounts available to the Missile Defense Agency.

SEC. 1033. ASSIGNMENT OF MEMBERS TO ASSIST IMMIGRATION AND NATURALIZATION SERVICE AND CUSTOMS SERVICE.

(a) ASSIGNMENT AUTHORITY OF SECRETARY OF DEFENSE.—Chapter 18 of title 10, United States Code, is amended by inserting after section 374 the following new section:

"§ 374a. Assignment of members to assist border patrol and control

"(a) ASSIGNMENT AUTHORIZED.—Upon submission of a request consistent with subsection (b), the Secretary of Defense may assign members of the Army, Navy, Air Force, and Marine Corps to assist—

"(1) the Immigration and Naturalization Service in preventing the entry of terrorists, drug traffickers, and illegal aliens into the United States; and

"(2) the United States Customs Service in the inspection of cargo, vehicles, and aircraft at points of entry into the United States to prevent the entry of weapons of mass destruction, components of weapons of mass destruction, prohibited narcotics or drugs, or other terrorist or drug trafficking items.

"(b) REQUEST FOR ASSIGNMENT.—The assignment of members under subsection (a) may occur only if—

"(1) the assignment is at the request of the Attorney General, in the case of an assignment to the Immigration and Naturalization Service, or the Secretary of the Treasury, in the case of an assignment to the United States Customs Service; and

"(2) the request of the Attorney General or the Secretary of the Treasury (as the case may be) is accompanied by a certification by the President that the assignment of members pursuant to the request is necessary to respond to a threat to national security posed by the entry into the United States of terrorists or drug traffickers.

"(c) TRAINING PROGRAM REQUIRED.—The Attorney General or the Secretary of the Treasury (as the case may be), together with the Secretary of Defense, shall establish a training program to ensure that members receive general instruction regarding issues affecting law enforcement in the border areas in which the members may perform duties under an assignment under subsection (a). A member may not be deployed at a border location pursuant to an assignment under subsection (a) until the member has successfully completed the training program.

"(d) CONDITIONS OF USE.—(1) Whenever a member who is assigned under subsection (a) to assist the Immigration and Naturalization Service or the United States Customs Service is performing duties at a border location pursuant to the assignment, a civilian law enforcement officer from the agency concerned shall accompany the member.

"(2) Nothing in this section shall be construed to—

"(A) authorize a member assigned under subsection (a) to conduct a search, seizure, or other similar law enforcement activity or to make an arrest; and

"(B) supersede section 1385 of title 18 (popularly known as the 'Posse Comitatus Act').

"(e) ESTABLISHMENT OF ONGOING JOINT TASK FORCES.—(1) The Attorney General or the Secretary of the Treasury may establish ongoing joint task forces when accompanied by a certification by the President that the assignment of members pursuant to the request to establish a joint task force is necessary to respond to a threat to national security posed by the entry into the United States of terrorists or drug traffickers.

"(2) When established, any joint task force shall fully comply with the standards as set forth in this section.

"(f) NOTIFICATION REQUIREMENTS.—The Attorney General or the Secretary of the Treasury (as the case may be) shall notify the Governor of the State in which members are to be deployed pursuant to an assignment under subsection (a), and local governments in the deployment area, of the deployment of the members to assist the Immigration and Naturalization Service or the United States Customs Service (as the case may be) and the types of tasks to be performed by the members.

"(g) REIMBURSEMENT REQUIREMENT.—Section 377 of this title shall apply in the case of members assigned under subsection (a).

"(h) TERMINATION OF AUTHORITY.—No assignment may be made or continued under subsection (a) after September 30, 2005.".

(b) COMMENCEMENT OF TRAINING PROGRAM.—The training program required by subsection (b) of section 374a of title 10, United States Code, shall be established as soon as practicable after the date of the enactment of this Act.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 374 the following new item:

"374a. Assignment of members to assist border patrol and control.".

SEC. 1034. SENSE OF CONGRESS ON PROHIBITION OF USE OF FUNDS FOR INTERNATIONAL CRIMINAL COURT.

It is the sense of Congress that none of the funds appropriated pursuant to authorizations of appropriations in this Act should be used for any assistance to, or to cooperate with or to provide any support for, the International Criminal Court.

TITLE XI—CIVILIAN PERSONNEL MATTERS

SEC. 1101. ELIGIBILITY OF DEPARTMENT OF DEFENSE NONAPPROPRIATED FUND EMPLOYEES FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Section 9001(1) of title 5, United States Code, is amended—

(1) in subparagraph (B), by striking "and";

(2) in subparagraph (C), by striking the comma at the end and inserting ''; and''; and

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

''(D) an employee of a nonappropriated fund instrumentality of the Department of Defense described in section 2105(c),''.

(b) DISCRETIONARY AUTHORITY.—Section 9002 of such title is amended—

(1) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and

(2) by inserting after subsection (a) the following new subsection (b):

''(b) DISCRETIONARY AUTHORITY REGARDING NONAPPROPRIATED FUND INSTRUMENTALITIES.—The Secretary of Defense may determine that a nonappropriated fund instrumentality of the Department of Defense is covered under this chapter or is covered under an alternative long-term care insurance program.''.

SEC. 1102. EXTENSION OF DEPARTMENT OF DEFENSE AUTHORITY TO MAKE LUMP-SUM SEVERANCE PAYMENTS.

(a) IN GENERAL.—Section 5595(i)(4) of title 5, United States Code, is amended by striking ''2003'' and inserting ''2006''.

(b) REPORT.—Not later than one year after the date of the enactment of this Act, the President shall submit to Congress a report including recommendations whether the authority under section 5595(i) of title 5, United States Code, should be made permanent or expanded to be made Governmentwide.

SEC. 1103. COMMON OCCUPATIONAL AND HEALTH STANDARDS FOR DIFFERENTIAL PAYMENTS AS A CONSEQUENCE OF EXPOSURE TO ASBESTOS.

(a) PREVAILING RATE SYSTEMS.—Section 5343(c)(4) of title 5, United States Code, is amended by inserting before the semicolon at the end the following: '', and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970''.

(b) GENERAL SCHEDULE PAY RATES.—Section 5545(d) of such title is amended by inserting before the period at the end of the first sentence the following: '', and for any hardship or hazard related to asbestos, such differentials shall be determined by applying occupational safety and health standards consistent with the permissible exposure limit promulgated by the Secretary of Labor under the Occupational Safety and Health Act of 1970''.

(c) APPLICABILITY.—Subject to any vested constitutional property rights, any administrative or judicial determination after the date of enactment of this Act concerning backpay for a differential established under sections 5343(c)(4) or 5545(d) of such title shall be based on occupational safety and health standards described in the amendments made by subsections (a) and (b).

SEC. 1104. CONTINUATION OF FEDERAL EMPLOYEE HEALTH BENEFITS PROGRAM ELIGIBILITY.

Paragraph (4)(B) of section 8905a(d) of title 5, United States Code, is amended—

(1) in clause (i), by striking ''2003'' and inserting ''2006''; and

(2) in clause (ii)—

(A) by striking ''2004'' and inserting ''2007''; and

(B) by striking ''2003'' and inserting ''2006''.

SEC. 1105. TRIENNIAL FULL-SCALE FEDERAL WAGE SYSTEM WAGE SURVEYS.

Section 5343(b) of title 5, United States Code, is amended—

(1) in the first sentence, by striking ''2 years'' and inserting ''3 years''; and

(2) in the second sentence, by striking the period at the end and inserting '', based on criteria developed by the Office.''.

SEC. 1106. CERTIFICATION FOR DEPARTMENT OF DEFENSE PROFESSIONAL ACCOUNTING POSITIONS.

(a) IN GENERAL.—(1) Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 1599d. Professional accounting positions: authority to prescribe certification and credential standards

''(a) AUTHORITY TO PRESCRIBE PROFESSIONAL CERTIFICATION STANDARDS.—The Secretary of Defense may prescribe professional certification and credential standards for professional accounting positions within the Department of Defense. Any such standard shall be prescribed as a Department of Defense regulation.

''(b) WAIVER AUTHORITY.—The Secretary may waive any standard prescribed under subsection (a) whenever the Secretary determines such a waiver to be appropriate.

''(c) APPLICABILITY.—A standard prescribed under subsection (a) shall not apply to any person employed by the Department of Defense before the standard is prescribed.

''(d) REPORT.—The Secretary of Defense shall submit to Congress a report on the Secretary's plans to provide training to appropriate Department of Defense personnel to meet any new professional and credential standards prescribed under subsection (a). Such report shall be prepared in conjunction with the Director of the Office of Personnel Management. Such a report shall be submitted not later than one year after the effective date of any regulations, or any revision to regulations, prescribed pursuant to subsection (a).

''(e) DEFINITION.—In this section, the term 'professional accounting position' means a position or group of positions in the GS–510, GS–511, and GS–505 series that involves professional accounting work.''.

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

''1599d. Professional accounting positions: authority to establish certification and credential standards.''.

(b) EFFECTIVE DATE.—Standards established pursuant to section 1599d of title 10, United States Code, as added by subsection (a), may take effect no sooner than 120 days after the date of the enactment of this Act.

TITLE XII—MATTERS RELATING TO OTHER NATIONS

SEC. 1201. SUPPORT OF UNITED NATIONS-SPONSORED EFFORTS TO INSPECT AND MONITOR IRAQI WEAPONS ACTIVITIES.

(a) LIMITATION ON AMOUNT OF ASSISTANCE IN FISCAL YEAR 2003.—The total amount of the assistance for fiscal year 2003 that is provided by the Secretary of Defense under section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) as activities of the Department of Defense in support of activities under that Act may not exceed $15,000,000.

(b) EXTENSION OF AUTHORITY TO PROVIDE ASSISTANCE.—Subsection (f) of section 1505 of the Weapons of Mass Destruction Control Act of 1992 (22 U.S.C. 5859a) is amended by striking ''2002'' and inserting ''2003''.

SEC. 1202. STRENGTHENING THE DEFENSE OF TAIWAN.

(a) IMPLEMENTATION OF TRAINING PLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary of Defense shall implement a comprehensive plan to conduct joint operational training for, and exchanges of senior officers between, the Armed Forces of the United States and the military forces of Taiwan. Such plan shall include implementation of a wide range of programs, activities, exercises, and arrangements focused on threat analysis, military doctrine, force planning, logistical support, intelligence collection and analysis, operational tactics, techniques, and procedures, civil-military relations, and other subjects designed to improve the defensive capabilities of Taiwan and to enhance interoperability between the military forces of Taiwan and the Armed Forces of the United States.

(b) SUBMISSION TO CONGRESS.—At least 30 days before commencing implementation of the plan described in subsection (a), the Secretary of Defense shall submit the plan to Congress, in classified and unclassified form as necessary.

SEC. 1203. ADMINISTRATIVE SERVICES AND SUPPORT FOR FOREIGN LIAISON OFFICERS.

(a) AUTHORITY.—Subchapter II of chapter 138 of title 10, United States Code, is amended by adding at the end the following new section:

''§ 2350m. Administrative services and support for foreign liaison officers

''(a) AUTHORITY TO PROVIDE SERVICES AND SUPPORT.—The Secretary of Defense may provide administrative services and support for foreign liaison officers performing duties while such officers temporarily are assigned to components or commands of the armed forces. Such administrative services and support may include base or installation operation support services, office space, utilities, copying services, fire and police protection, and computer support. The Secretary may provide such administrative services and support with or without reimbursement, as the Secretary considers appropriate.

''(b) EXPIRATION OF AUTHORITY.—The authority under this section shall expire on September 30, 2005.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

''2350m. Administrative services and support for foreign liaison officers.''.

(c) REPORT.—Not later than March 1, 2005, the Secretary of Defense shall provide to the Committees on Armed Services of the Senate and the House of Representatives a report describing, as of the date of submission of the report—

(1) the number of foreign liaison officers for which support has been provided under section 2350m of title 10, United States Code (as added by subsection (a));

(2) the countries from which such foreign liaison officers are or were assigned;

(3) the type of support provided, the duration for which the support was provided, and the reasons the support was provided; and

(4) the costs to the Department of Defense and the United States of providing such support.

SEC. 1204. ADDITIONAL COUNTRIES COVERED BY LOAN GUARANTEE PROGRAM.

Section 2540 of title 10, United States Code, is amended—

(1) in subsection (b), by adding at the end the following new paragraph:

''(5) A country that, as determined by the Secretary of Defense in consultation with the Secretary of State, assists in combatting drug trafficking organizations or foreign terrorist organizations.''; and

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

''(d) REPORT.—The Secretary of Defense and the Secretary of State, whenever the Secretaries consider such action to be warranted, shall jointly submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on

Armed Services and International Relations of the House of Representatives a report enumerating those countries to be added or removed under subsection (b).''.

SEC. 1205. LIMITATION ON FUNDING FOR JOINT DATA EXCHANGE CENTER IN MOSCOW.

(a) LIMITATION.—Not more than 50 percent of the funds made available to the Department of Defense for fiscal year 2003 for activities associated with the Joint Data Exchange Center in Moscow, Russia, may be obligated or expended for any such activity until—

(1) the United States and the Russian Federation enter into a cost-sharing agreement as described in subsection (d) of section 1231 of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–329);

(2) the United States and the Russian Federation enter into an agreement or agreements exempting the United States and any United States person from Russian taxes, and from liability under Russian laws, with respect to activities associated with the Joint Data Exchange Center;

(3) the Secretary of Defense submits to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives a copy of each agreement referred to in paragraphs (1) and (2); and

(4) a period of 30 days has expired after the date of the final submission under paragraph (3).

(b) JOINT DATA EXCHANGE CENTER.—For purposes of this section, the term ''Joint Data Exchange Center'' means the United States-Russian Federation joint center for the exchange of data to provide early warning of launches of ballistic missiles and for notification of such launches that is provided for in a joint United States-Russian Federation memorandum of agreement signed in Moscow in June 2000.

SEC. 1206. LIMITATION ON NUMBER OF MILITARY PERSONNEL IN COLOMBIA.

(a) LIMITATION.—None of the funds available to the Department of Defense may be used to support or maintain more than 500 members of the Armed Forces on duty in the Republic of Colombia at any time.

(b) EXCEPTIONS.—There shall be excluded from counting for the purposes of the limitation in subsection (a) the following:

(1) A member of the Armed Forces in the Republic of Colombia for the purpose of rescuing or retrieving United States military or civilian Government personnel, except that the period for which such a member may be so excluded may not exceed 30 days unless expressly authorized by law.

(2) A member of the Armed Forces assigned to the United States Embassy in Colombia as an attaché, as a member of the security assistance office, or as a member of the Marine Corps security contingent.

(3) A member of the Armed Forces in Colombia to participate in relief efforts in responding to a natural disaster.

(4) Nonoperational transient military personnel.

(5) A member of the Armed Forces making a port call from a military vessel in Colombia.

(c) WAIVER.—The Secretary of Defense may waive the limitation in subsection (a) if he determines that such waiver is in the national security interest.

(d) NOTIFICATION.—The Secretary shall notify the congressional defense committees not later 15 days after the date of the exercise of the waiver authority under subsection (c).

TITLE XIII—COOPERATIVE THREAT REDUCTION WITH STATES OF THE FORMER SOVIET UNION

SEC. 1301. SPECIFICATION OF COOPERATIVE THREAT REDUCTION PROGRAMS AND FUNDS.

(a) SPECIFICATION OF CTR PROGRAMS.—For purposes of section 301 and other provisions of this Act, Cooperative Threat Reduction programs are the programs specified in section 1501(b) of the National Defense Authorization Act for Fiscal Year 1997 (Public Law 104–201; 110 Stat. 2731; 50 U.S.C. 2362 note).

(b) FISCAL YEAR 2003 COOPERATIVE THREAT REDUCTION FUNDS DEFINED.—As used in this title, the term ''fiscal year 2003 Cooperative Threat Reduction funds'' means the funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to the authorization of appropriations in section 301 for Cooperative Threat Reduction programs shall be available for obligation for three fiscal years.

SEC. 1302. FUNDING ALLOCATIONS.

(a) FUNDING FOR SPECIFIC PURPOSES.—Of the $416,700,000 authorized to be appropriated to the Department of Defense for fiscal year 2003 in section 301(23) for Cooperative Threat Reduction programs, the following amounts may be obligated for the purposes specified:

(1) For strategic offensive arms elimination in Russia, $70,500,000.

(2) For strategic nuclear arms elimination in Ukraine, $6,500,000.

(3) For nuclear weapons transportation security in Russia, $19,700,000.

(4) For nuclear weapons storage security in Russia, $39,900,000.

(5) For activities designated as Other Assessments/Administrative Support, $14,700,000.

(6) For defense and military contacts, $18,900,000.

(7) For weapons of mass destruction infrastructure elimination activities in Kazakhstan, $9,000,000.

(8) For weapons of mass destruction infrastructure elimination activities in Ukraine, $8,800,000.

(9) For chemical weapons destruction in Russia, $50,000,000.

(10) For biological weapons facility dismantlement in the States of the former Soviet Union $11,500,000.

(11) For biological weapons facility security and safety in the States of the former Soviet Union, $34,800,000.

(12) For biological weapons collaborative research in the States of the former Soviet Union, $8,700,000.

(13) For personnel reliability programs in Russia, $100,000.

(14) For weapons of mass destruction proliferation prevention in the States of the former Soviet Union, $40,000,000.

(b) ADDITIONAL FUNDS AUTHORIZED FOR CERTAIN PURPOSES.—Of the funds authorized to be appropriated to the Department of Defense for fiscal year 2003 in section 301(23) for Cooperative Threat Reduction programs, $83,600,000 may be obligated for any of the purposes specified in paragraphs (1) through (4) and (9) of subsection (a) in addition to the amounts specifically authorized in such paragraphs.

(c) REPORT ON OBLIGATION OR EXPENDITURE OF FUNDS FOR OTHER PURPOSES.—No fiscal year 2003 Cooperative Threat Reduction funds may be obligated or expended for a purpose other than a purpose listed in paragraphs (1) through (14) of subsection (a) until 30 days after the date that the Secretary of Defense submits to Congress a report on the purpose for which the funds will be obligated or expended and the amount of funds to be obligated or expended. Nothing in the preceding sentence shall be construed as authorizing the obligation or expenditure of fiscal year 2003 Cooperative Threat Reduction funds for a purpose for which the obligation or expenditure of such funds is specifically prohibited under this title or any other provision of law.

(d) LIMITED AUTHORITY TO VARY INDIVIDUAL AMOUNTS.—(1) Subject to paragraphs (2) and (3), in any case in which the Secretary of Defense determines that it is necessary to do so in the national interest, the Secretary may obligate amounts appropriated for fiscal year 2003 for a purpose listed in any of the paragraphs in subsection (a) in excess of the amount specifically authorized for such purpose (including amounts authorized under subsection (b)).

(2) An obligation of funds for a purpose stated in any of the paragraphs in subsection (a) in excess of the specific amount authorized for such purpose may be made using the authority provided in paragraph (1) only after—

(A) the Secretary submits to Congress notification of the intent to do so together with a complete discussion of the justification for doing so; and

(B) 15 days have elapsed following the date of the notification.

(3) The Secretary may not, under the authority provided in paragraph (1), obligate amounts for the purposes stated any of paragraphs (5) through (13) of subsection (a) in excess of 115 percent of the amount specifically authorized for such purposes.

SEC. 1303. PROHIBITION AGAINST USE OF FUNDS UNTIL SUBMISSION OF REPORTS.

No fiscal year 2003 Cooperative Threat Reduction funds may be obligated or expended until 30 days after the date of the submission of—

(1) the report required to be submitted in fiscal year 2002 under section 1308(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–341); and

(2) the update for the multiyear plan required to be submitted for fiscal year 2001 under section 1205 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 22 U.S.C. 5952 note).

SEC. 1304. REPORT ON USE OF REVENUE GENERATED BY ACTIVITIES CARRIED OUT UNDER COOPERATIVE THREAT REDUCTION PROGRAMS.

Section 1308(c) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106–398; 114 Stat. 1654A–341) is amended by inserting at the end the following new paragraph:

''(6) To the maximum extent practicable, a description of how revenue generated by activities carried out under Cooperative Threat Reduction programs in recipient States is being utilized, monitored, and accounted for.''.

SEC. 1305. PROHIBITION AGAINST USE OF FUNDS FOR SECOND WING OF FISSILE MATERIAL STORAGE FACILITY.

No funds authorized to be appropriated for Cooperative Threat Reduction programs for any fiscal year may be used for the design, planning, or construction of a second wing for a storage facility for Russian fissile material.

SEC. 1306. SENSE OF CONGRESS AND REPORT REQUIREMENT REGARDING RUSSIAN PROLIFERATION TO IRAN.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) Russian proliferation to Iran constitutes a clear threat to the national security and vital interests of the United States and undermines the purpose and goals of Cooperative Threat Reduction programs;

(2) such proliferation consists primarily of nuclear and missile technology, goods, and know-how, and dual-use items that could contribute to the development of weapons of mass destruction and ballistic missiles;

(3) because of ongoing Russian assistance, the intelligence community estimates that Iran could attempt to launch an intercontinental ballistic missile by 2005, and could possess a nuclear weapon by 2010;

(4) Russian proliferation is providing Iran with the capability to strike United States military forces, interests, allies, and friends in the region with weapons-of-mass-destruction-tipped ballistic missiles;

(5) the issue of Russian proliferation to Iran has been raised by United States officials at the highest levels of the Russian Government;

(6) Iran has long been identified as a State sponsor of terrorism by the United States because of its support of foreign terrorist organizations, and the combination of terrorist organizations and weapons of mass destruction constitutes a grave threat to the national security of the United States;

(7) Russian proliferation to Iran raises serious questions regarding the intentions of the Russian Government, and its commitment to nonproliferation and improved relations with the United States;

(8) Russian proliferation to Iran could undermine Congressional support for Cooperative Threat Reduction programs; and

(9) the President must safeguard United States national security and demonstrate United States resolve and commitment to stopping the proliferation of weapons of mass destruction and ballistic missiles through clear, firm, and coherent policies and strategies that employ the full range of diplomatic and economic tools at his disposal, both positive and negative, to halt the serious and continuing problem of Russian proliferation.

(b) REPORT.—Not later than March 15 of 2003 through 2009, the President shall submit to Congress a report (in unclassified and classified form as necessary) describing in detail Russian proliferation of weapons of mass destruction and ballistic missile goods, technology, and know-how, and of dual-use items that may contribute to the development of weapons of mass destruction and ballistic missiles, to Iran and to other countries during the year preceding the year in which the report is submitted. The report shall include—

(1) a net assessment prepared by the Office of Net Assessment of the Department of Defense; and

(2) a detailed description of the following:

(A) The number, type, and quality of direct and dual-use weapons of mass destruction and ballistic missile goods, items, and technology being transferred.

(B) The form, location, and manner in which such transfers take place.

(C) The contribution that such transfers could make to the recipient States' weapons of mass destruction and ballistic missile programs, and how soon such States will test, possess, and deploy weapons of mass destruction and ballistic missiles.

(D) The impact that such transfers have, or could have, on United States national security, on regional friends, allies, and interests, and on United States military forces deployed in the region to which such transfers are being made.

(E) The actions being taken by the United States to counter and defend against capabilities developed by the recipient States as a result of such transfers.

(F) The strategy, plan, or policy incorporating the full range of policy tools available that the President intends to employ to halt Russian proliferation, the rationale for employing such tools, and the timeline by which the President expects to see material progress in ending Russian proliferation of direct and dual-use weapons of mass destruction and missile goods, technologies, and know-how.

SEC. 1307. PROHIBITION AGAINST USE OF COOPERATIVE THREAT REDUCTION FUNDS OUTSIDE THE STATES OF THE FORMER SOVIET UNION.

No Cooperative Threat Reduction funds authorized or appropriated for any fiscal year may be used for threat reduction projects, programs, or activities in countries other than the States of the former Soviet Union.

SEC. 1308. LIMITED WAIVER OF RESTRICTION ON USE OF FUNDS.

(a) WAIVER AUTHORITY.—(1) The restriction described in subsection (d)(5) of section 1203 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1779; 22 U.S.C. 5952) shall not apply with respect to United States assistance to Russia if the President submits to Congress a written certification that waiving the restriction is important to the national security interests of the United States.

(2) The authority under paragraph (1) shall expire on December 31, 2005.

(b) REPORT.—Not later than 30 days after the date that the President applies the waiver authority under subsection (a), the President shall submit to Congress a report (in classified and unclassified form as necessary) describing—

(1) the arms control agreements with which Russia is not committed to complying, the form or forms of noncommittal, and detailed evidence of such noncommittal;

(2) why use of the waiver of authority was important to protect national security interests; and

(3) a strategy, plan, or policy incorporating the full range of policy tools available to the President for promoting Russian commitment to, and compliance with, all relevant arms control agreements.

SEC. 1309. LIMITATION ON USE OF FUNDS UNTIL SUBMISSION OF REPORT ON DEFENSE AND MILITARY CONTACTS ACTIVITIES.

Not more than 50 percent of fiscal year 2003 Cooperative Threat Reduction Funds may be obligated or expended for defense and military contacts activities until the Secretary of Defense submits to Congress a report describing in detail the operation and success of such activities carried out under Cooperative Threat Reduction programs during fiscal years 2001 and 2002. Such report shall include a description of—

(1) the amounts obligated or expended for such activities;

(2) the purposes, goals, and objectives for which such amounts were obligated and expended;

(3) a description of the activities carried out, including the forms of assistance provided, and the justification for each form of assistance provided;

(4) the success of each activity, including the goals and objectives achieved for each;

(5) a description of participation by private sector entities in the United States in carrying out such activities, and the participation of any other Federal department or agency in such activities; and

(6) any other information that the Secretary considers relevant to provide a complete description of the operation and success of activities carried out under Cooperative Threat Reduction programs.

TITLE XIV—UTAH TEST AND TRAINING RANGE

SEC. 1401. DEFINITION OF UTAH TEST AND TRAINING RANGE.

In this title, the term ''Utah Test and Training Range'' means those portions of the military operating area of the Utah Test and Training Area located solely in the State of Utah. The term includes the Dugway Proving Ground.

SEC. 1402. MILITARY OPERATIONS AND OVERFLIGHTS AT UTAH TEST AND TRAINING RANGE.

(a) FINDINGS.—The Congress finds the following:

(1) The testing and development of military weapons systems and the training of military forces are critical to ensuring the national security of the United States.

(2) The Utah Test and Training Range is a unique and irreplaceable national asset at the core of the test and training mission of the Department of Defense.

(3) Areas designated as wilderness study areas are located near lands withdrawn for military use and are beneath special use airspace critical to the support of military test and training missions at the Utah Test and Training Range.

(4) Continued unrestricted access to the special use airspace and lands that comprise the Utah Test and Training Range is a national security priority and is not incompatible with the protection and proper management of the natural, environmental, cultural, and other resources of such lands.

(b) OVERFLIGHTS.—(1) Nothing in this title, the Wilderness Act (16 U.S.C. 1131 et seq.), or other land management laws generally applicable to federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range shall restrict or preclude low-level overflights, low-level military overflights and operations of military aircraft, helicopters, unmanned aerial vehicles, military overflights or military overflights and operations that can be seen or heard within those areas.

(2) Paragraph (1) precludes any restriction regarding altitude or airspeed, noise level, supersonic flight, route of flight, time of flight, seasonal usage, or numbers of flights of any military aircraft, helicopters, unmanned aerial vehicles, missiles, aerospace vehicles, and other military weapons systems over federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range.

(3) In this subsection, the term ''low-level'' includes any flight down to and including 10 feet above ground level.

(c) SPECIAL USE AIRSPACE AND TRAINING ROUTES.—Nothing in this title, the Wilderness Act, or other land management laws generally applicable to federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range shall restrict or preclude the designation of new units of special use airspace, the expansion of existing units of special use airspace, or the use or establishment of military training routes over federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range.

(d) COMMUNICATIONS AND TRACKING SYSTEMS.—Nothing in this title, the Wilderness Act, or other land management laws generally applicable to federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range shall be construed to require the removal of existing communications, instrumentation, or electronic tracking systems from these areas, to prevent any required maintenance of such systems, or to prevent the installation of new communication, instrumentation, or other equipment necessary for effective testing and training to meet military requirements so long as the installation and maintenance of such systems do not require construction of any permanent roads in any federally designated wilderness area or wilderness study area.

(e) EMERGENCY ACCESS AND RESPONSE.—(1) Nothing in this title, the Wilderness Act, or

other land management laws generally applicable to federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range shall restrict or preclude timely access to any area necessary to respond to emergency situations. Immediate access, including access for emergency and rescue vehicles and equipment, shall not be restricted if human life or health may be in jeopardy.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary of the Air Force and the Secretary of Interior shall enter into a memorandum of understanding providing formal procedures for access to the federally designated wilderness areas or wilderness study areas that are located beneath airspace of the Utah Test and Training Range, which may be necessary to respond to emergency situations, to rescue downed aircrew members, to investigate accident locations, to recover military aircraft or other weapons systems, and to restore accident locations. Military operations in the Utah Test and Training Range shall not be limited or restricted in any way pending completion of the memorandum of understanding.

(f) CONTROL OR RESTRICTION OF PUBLIC ACCESS.—(1) When required by national security or public safety, public access to federally designated wilderness areas or wilderness study areas in the Utah Test and Training Range that are located beneath airspace designated as special use airspace may be controlled, restricted, or prohibited entirely. Such controls, restrictions, or prohibitions shall remain in force for the minimum duration necessary. The Secretary of the Air Force shall provide advance notice of such controls, restrictions, or prohibitions to the Secretary of the Interior.

(2) Not later than 120 days after the date of the enactment of this Act, the Secretary of the Air Force and the Secretary of Interior shall enter into a memorandum of understanding prescribing procedures for implementing access controls, restrictions, or prohibitions. Military operations in the Utah Test and Training Range shall not be limited or restricted in any way pending completion of the memorandum of understanding.

SEC. 1403. DESIGNATION AND MANAGEMENT OF LANDS IN UTAH TEST AND TRAINING RANGE.

(a) DESIGNATION.—The following Federal lands that are in the Utah Test and Training Range are hereby designated as wilderness:

(1) Those lands that were managed pursuant to the nonimpairment standard set forth in section 603(c) of Public Law 94–579 (43 U.S.C. 1782(c)) on or before January 1, 1991.

(2) Those lands that were acquired by the United States through donation, exchange, or other method of acquisition and—

(A) are located entirely within the areas identified in paragraph (1); or

(B) are located within a logical extension of the boundaries of the areas identified in paragraph (1).

(b) PLANNING PROCESS FOR FEDERAL LANDS IN UTAH TEST AND TRAINING RANGE.—(1) The Secretary of the Interior shall not continue the plan amendment process initiated pursuant to section 202 of Public Law 94–579 (43 U.S.C. 1712) and published in the Federal Register on March 18, 1999 (64 Fed. Reg. 13439), for Federal lands located in the Utah Test and Training Range.

(2) The Secretary of the Interior shall not develop, maintain, or revise land use plans pursuant to section 202 of Public Law 94–579 (43 U.S.C. 1712) for Federal lands located in the Utah Test and Training Range without the prior concurrence of the Secretary of the Air Force and the Commander-in-Chief of the military forces of the State of Utah.

(c) WITHDRAWAL.—Subject to valid existing rights, the Federal lands in the areas designated as wilderness by this title are hereby withdrawn from all forms of entry, appropriation, or disposal under the public land laws, from location, entry, and patent under the United States mining laws, and from disposition under all laws pertaining to mineral and geothermal leasing, and mineral materials, and all amendments to such laws.

(d) WATER.—Nothing in this title or any action taken pursuant to this title shall constitute an express or implied reservation of surface or groundwater by any person, including the United States. Nothing in this title affects any valid existing water rights in existence before the date of the enactment of this Act, including any water rights held by the United States. If the United States determines that additional water resources are needed for the purposes of this title, the United States shall acquire such rights in accordance with the water laws of the State of Utah.

(e) MAP AND DESCRIPTION.—(1) As soon as practicable after the date of the enactment of this title, the Secretary of Interior shall transmit a map and legal description of the areas designated as wilderness by this title to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

(2) The map and legal description shall have the same force and effect as if included in this title, except that the Secretary of Interior may correct clerical and typographical errors in the map and legal description.

(3) The map and legal description shall be on file and available for public inspection in the office of the Director of the Bureau of Land Management and the office of the State Director of the Bureau of Land Management in the State of Utah.

(f) ADMINISTRATION.—(1) Subject to valid existing rights and this title, the areas designated as wilderness in this title shall be administered by the Secretary of Interior in accordance with the provisions of the Wilderness Act, except that any reference in such provisions to the effective date of the Wilderness Act (or any similar reference) shall be deemed to be a reference to the date of the enactment of this Act.

(2) Any lands or interest in lands within the boundaries of an area designated as wilderness by this title that is acquired by the United States after the date of the enactment of this Act shall be added to and administered as part of the wilderness area within which the acquired lands or interest in lands are located.

(3) The Secretary of the Interior may offer to acquire lands and interest in lands located within the areas designated as wilderness by this title. Such lands may be acquired at fair market value under this subsection by purchase from willing sellers, by exchange for lands of approximately equal value, or by donation.

(4) In furtherance of the purposes and principles of the Wilderness Act, management activities to maintain or restore fish and wildlife populations and the habitats to support such populations may be carried out within the areas designated as wilderness by this title where consistent with relevant wilderness management plans, in accordance with appropriate policies and guidelines such as those set forth in appendix B of the Report of the Committee on Interior and Insular Affairs to accompany H.R. 2570 of the 101st Congress (H. Rept. 101–405).

(5) Within the areas designated as wilderness by this title, the grazing of livestock, where established before the date of the enactment of this Act, shall be permitted to continue subject to such reasonable regulations, policies, and practices as the Secretary of the Interior considers necessary, as long as such regulations, policies, and practices fully conform with and implement the intent of Congress regarding grazing in such areas, as such intent is expressed in the Wilderness Act, section 101(f) of Public Law 101–628, and House Report 101–405, Appendix A.

(6) Congress does not intend for the designation of the wilderness in this title to lead to the creation of protective perimeters or buffer zones around any area designated as wilderness by this title. The fact that nonwilderness activities or uses can be seen or heard within the areas designated as wilderness by this title shall not, of itself, preclude such activities or uses up to the boundary of that wilderness.

(7) Until completion of a full revision of the Pony Express Area Resource Management Plan, dated January 12, 1990, by the Salt Lake Field Office of the Bureau of Land Management, the Secretary of Interior shall not grant or issue any authorizations pursuant to section 501(a)(6) of Public Law 94–579 (43 U.S.C. 1761(a)(6)) upon Federal lands identified as inventory units UTU-020-088, UTU-020-095, UTU-020-096, and UTU-020-100, as generally depicted on the map entitled ''Wilderness Inventory, State of Utah'', dated August 1979.

SEC. 1404. DESIGNATION OF PILOT RANGE WILDERNESS.

Certain Federal lands in Box Elder County, Utah, as generally depicted on the map entitled ''Pilot Range Wilderness'', and dated October 1, 2001, are hereby designated as wilderness, and shall be known as the Pilot Range Wilderness Area.

SEC. 1405. DESIGNATION OF CEDAR MOUNTAIN WILDERNESS.

Certain Federal lands in Tooele County, Utah, as generally depicted on the map entitled ''Cedar Mountain Wilderness'', and dated May 1, 2002, are hereby designated as wilderness, and shall be known as the Cedar Mountain Wilderness Area.

TITLE XV—COST OF WAR AGAINST TERRORISM AUTHORIZATION

SEC. 1501. SHORT TITLE.

This title may be cited as the ''Cost of War Against Terrorism Authorization Act of 2002''.

SEC. 1502. AMOUNTS AUTHORIZED FOR THE WAR ON TERRORISM.

The amounts authorized to be appropriated in this title, totalling $10,000,000,000, are authorized for the conduct of operations in continuation of the war on terrorism in accordance with the Authorization for Use of Military Force (Public Law 107–40; 50 U.S.C. 1541 note) and, to the extent appropriations are made pursuant to such authorizations, shall only be expended in a manner consistent with the purposes stated in section 2(a) thereof.

SEC. 1503. ADDITIONAL AUTHORIZATIONS

The amounts authorized to be appropriated by this title are in addition to amounts authorized to be appropriated for military functions of the Department of Defense for fiscal year 2003 in the other provisions of this Act or any other Act.

Subtitle A—Authorization of Appropriations

PART I—AUTHORIZATIONS TO TRANSFER ACCOUNTS

SEC. 1511. WAR ON TERRORISM OPERATIONS FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2003 the amount of $3,544,682,000, to be available only for operations in accordance with the purposes stated in section 1502 for Operation Noble Eagle and Operation Enduring Freedom. Funds authorized in the preceding sentence may only be used as provided in subsection (b).

(b) TRANSFER AUTHORITY.—Subject to section 1503, the Secretary of Defense may, in the Secretary's discretion, transfer amounts authorized in subsection (a) to any fiscal year 2003 military personnel or operation and maintenance account of the Department of Defense for the purposes stated in that subsection.

SEC. 1512. WAR ON TERRORISM EQUIPMENT REPLACEMENT AND ENHANCEMENT FUND.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is hereby authorized to be appropriated to the Department of Defense for fiscal year 2003 the amount of $1,000,000,000, to be available only in accordance with the purposes stated in section 1502 and to be used only as provided in subsection (b).

(b) TRANSFER AUTHORITY.—Subject to section 1513, the Secretary of Defense may, in the Secretary's discretion, transfer amounts authorized in subsection (a) to any fiscal year 2003 procurement or research, development, test, and evaluation account of the Department of Defense for the purpose of—

(1) emergency replacement of equipment and munitions lost or expended in operations conducted as part of Operation Noble Eagle or Operation Enduring Freedom; or

(2) enhancement of critical military capabilities necessary to carry out operations pursuant to Public Law 107-40.

SEC. 1513. GENERAL PROVISIONS APPLICABLE TO TRANSFERS.

(a) IN GENERAL.—Amounts transferred pursuant to section 1511(b) or 1512(b) shall be merged with, and available for the same purposes and the same time period as, the account to which transferred.

(b) CONGRESSIONAL NOTICE-AND-WAIT REQUIREMENT.—A transfer may not be made under section 1511(b) or 1512(b) until the Secretary of Defense has submitted a notice in writing to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives of the proposed transfer and a period of 15 days has elapsed after the date such notice is received. Any such notice shall include specification of the amount of the proposed transfer, the account to which the transfer is to be made, and the purpose of the transfer.

(c) TRANSFER AUTHORITY CUMULATIVE.—The transfer authority provided by this subtitle is in addition to any other transfer authority available to the Secretary of Defense under this Act or any other Act.

PART II—AUTHORIZATIONS TO SPECIFIED ACCOUNTS

SEC. 1521. ARMY PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement accounts of the Army in amounts as follows:

(1) For ammunition, $94,000,000.

(2) For other procurement, $10,700,000.

SEC. 1522. NAVY AND MARINE CORPS PROCUREMENT.

(a) NAVY.—Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement accounts for the Navy in amounts as follows:

(1) For aircraft, $106,000,000.

(2) For weapons, including missiles and torpedoes, $633,000,000.

(b) MARINE CORPS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for the procurement account for the Marine Corps in the amount of $25,200,000.

(c) NAVY AND MARINE CORPS AMMUNITION.—Funds are hereby authorized to be appropriated for fiscal year 2003 for the procurement account for ammunition for the Navy and the Marine Corps in the amount of $120,600,000.

SEC. 1523. AIR FORCE PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2003 for procurement accounts for the Air Force in amounts as follows:

(1) For aircraft, $214,550,000.

(2) For ammunition, $157,900,000.

(3) For other procurement, $10,800,000.

SEC. 1524. DEFENSE-WIDE ACTIVITIES PROCUREMENT.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the procurement account for Defense-wide procurement in the amount of $620,414,000.

SEC. 1525. RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, DEFENSE-WIDE.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the research, development, test, and evaluation account for Defense-wide activities in the amount of $390,100,000.

SEC. 1526. CLASSIFIED ACTIVITIES.

Funds are hereby authorized to be appropriated for the Department of Defense for fiscal year 2003 for unspecified intelligence and classified activities in the amount of $1,980,674,000, of which—

(1) $1,618,874,000 is authorized to be appropriated to procurement accounts;

(2) $301,600,000 is authorized to be appropriated to operation and maintenance accounts; and

(3) $60,200,000 is authorized to be appropriated to research, development, test, and evaluation accounts.

SEC. 1527. GLOBAL INFORMATION GRID SYSTEM.

None of the funds authorized to be appropriated by this Act for the Department of Defense system known as the Global Information Grid may be obligated until the Secretary of Defense submits to the Committees on Armed Services and the Committees on Appropriations of the Senate and House of Representatives the Secretary's certification that the end-to-end system is secure and protected from unauthorized access to the information transmitted through the system.

SEC. 1528. OPERATION AND MAINTENANCE.

Funds are hereby authorized to be appropriated for fiscal year 2003 for the use of the Armed Forces for expenses, not otherwise provided for, for operation and maintenance, in amounts as follows:

(1) For the Army, $14,270,000.

(2) For the Navy, $5,252,500.

(3) For the Marine Corps, $11,396,000.

(4) For the Air Force, $517,285,000.

SEC. 1529. MILITARY PERSONNEL.

There is hereby authorized to be appropriated to the Department of Defense for military personnel accounts for fiscal year 2003 a total of $503,100,000.

PART III—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 1531. AUTHORIZED MILITARY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) PROJECTS AUTHORIZED.—Using amounts appropriated pursuant to the authorization of appropriations in subsection (b), the Secretary of the military department concerned may acquire real property and carry out military construction projects for the installations and locations, and in the amounts, set forth in the following table:

Projects Authorized

Military Department	Installation or location	Amount
Department of the Army	Qatar	$8,600,000
Department of the Navy	Naval Station, Guantanamo Bay, Cuba	$4,280,000
	Naval Station, Rota, Spain	$18,700,000
Department of the Air Force	Bolling Air Force Base, District of Columbia	$3,500,000
	Total	$35,080,000

(b) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated for fiscal year 2003 for the military construction projects authorized by subsection (a) in the total amount of $35,080,000.

Subtitle B—Wartime Pay and Allowance Increases

SEC. 1541. INCREASE IN RATE FOR FAMILY SEPARATION ALLOWANCE.

Section 427(a)(1) of title 37, United States Code, is amended by striking "$100" and inserting "$125".

SEC. 1542. INCREASE IN RATES FOR VARIOUS HAZARDOUS DUTY INCENTIVE PAYS.

(a) FLIGHT PAY FOR CREW MEMBERS.—Subsection (b) of section 301 of title 37, United States Code, is amended by striking the table and inserting the following new table:

"Pay grade:	*Monthly Rate*
O–10	$200
O–9	$200
O–8	$200
O–7	$200
O–6	$300
O–5	$300
O–4	$275
O–3	$225
O–2	$200
O–1	$200
W–5	$300
W–4	$300
W–3	$225
W–2	$200
W–1	$200
E–9	$290
E–8	$290
E–7	$290
E–6	$265
E–5	$240
E–4	$215
E–3	$200
E–2	$200
E–1	$200".

(b) INCENTIVE PAY FOR PARACHUTE JUMPING WITHOUT STATIC LINE.—Subsection (c)(1) of such section is amended by striking "$225" and inserting "$275".

(c) OTHER HAZARDOUS DUTIES.—Subsection (c)(1) of such section is amended by striking "$150" and inserting "$200".

(d) REMOVAL OF AIR WEAPONS CONTROLLER CREW MEMBERS FROM LIST OF HAZARDOUS DUTIES.—Such section is further amended—

(1) in subsection (a)—

(A) by striking paragraph (12);

(B) in paragraph (11), by striking "; or" and inserting a period; and

(C) in paragraph (10), by inserting "or" after the semicolon; and

(2) in subsection (c), as amended by subsections (b) and (c) of this section—

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

(B) by striking paragraph (2).

SEC. 1543. INCREASE IN RATE FOR DIVING DUTY SPECIAL PAY.

Section 304(b) of title 37, United States Code, is amended—

(1) by striking ''$240'' and inserting ''$290''; and

(2) by striking ''$340'' and inserting ''$390''.

SEC. 1544. INCREASE IN RATE FOR IMMINENT DANGER PAY.

Section 310(a) of title 37, United States Code, is amended by striking ''$150'' and inserting ''$250''.

SEC. 1545. INCREASE IN RATE FOR CAREER ENLISTED FLYER INCENTIVE PAY.

The table in section 320(d) of title 37, United States Code, is amended to read as follows:

''Years of aviation service	Monthly rate
4 or less	$200
Over 4	$275
Over 8	$400
Over 14	$450''.

SEC. 1546. INCREASE IN AMOUNT OF DEATH GRATUITY.

Section 1478(a) of title 10, United States Code, is amended by striking ''$6,000'' and inserting ''$12,000''.

SEC. 1547. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall take effect on the later of the following:

(1) The first day of the first month beginning on or after the date of the enactment of this Act.

(2) October 1, 2002.

(b) DEATH GRATUITY.—The amendment made by section 1546 shall apply with respect to a person covered by section 1475 or 1476 of title 10, United States Code, whose date of death occurs on or after the later of the following:

(1) The date of the enactment of this Act.

(2) October 1, 2002.

Subtitle C—Additional Provisions

SEC. 1551. ESTABLISHMENT OF AT LEAST ONE WEAPONS OF MASS DESTRUCTION CIVIL SUPPORT TEAM IN EACH STATE.

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

(1) Weapons of Mass Destruction Civil Support Teams are strategic assets, stationed at the operational level, as an immediate response capability to assist local responders in the event of an emergency within the United States involving use or potential use of weapons of mass destruction.

(2) Since September 11 2001, Civil Support Teams have responded to more than 200 requests for support from civil authorities for actual or potential weapons of mass destruction incidents and have supported various national events, including the World Series, the Super Bowl, and the 2002 Winter Olympics.

(3) To enhance homeland security as the Nation fights the war against terrorism, each State and territory must have a Weapons of Mass Destruction Civil Support Team to respond to potential weapons of mass destruction incidents.

(4) In section 1026 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 as passed the House of Representatives on May 10, 2002 (H.R. 4546 of the 107th Congress), the House of Representatives has already taken action to that end by expressing the sense of Congress that the Secretary of Defense should establish 23 additional Weapons of Mass Destruction Civil Support Teams in order to provide at least one such team in each State and territory.

(5) According to a September 2001 report of the Comptroller General entitled ''Combating Terrorism'', the Department of Defense plans that there eventually should be a Weapons of Mass Destruction Civil Support Teams in each State, territory, and the District of Columbia.

(b) REQUIREMENT.—From funds authorized to be appropriated in section 101, the Secretary of Defense shall ensure that there is established at least one Weapons of Mass Destruction Civil Support Team in each State.

(c) DEFINITIONS.—For purposes of this section:

(1) The term ''Weapons of Mass Destruction Civil Support Team'' means a team of members of the reserve components of the armed forces that is established under section 12310(c) of title 10, United States Code, in support of emergency preparedness programs to prepare for or to respond to any emergency involving the use of a weapon of mass destruction.

(2) The term ''State'' includes the District of Columbia, Puerto Rico, the Virgin Islands, and Guam.

(d) DEADLINE FOR IMPLEMENTATION.—The Secretary of Defense shall ensure that subsection (b) is fully implemented not later than September 30, 2003.

SEC. 1552. AUTHORITY FOR JOINT TASK FORCES TO PROVIDE SUPPORT TO LAW ENFORCEMENT AGENCIES CONDUCTING COUNTER-TERRORISM ACTIVITIES.

(a) AUTHORITY.—A joint task force of the Department of Defense that provides support to law enforcement agencies conducting counter-drug activities may also provide, consistent with all applicable laws and regulations, support to law enforcement agencies conducting counter-terrorism activities.

(b) CONDITIONS.—Any support provided under subsection (a) may only be provided in the geographic area of responsibility of the joint task force.

(c) FUNDS.—Funds are hereby authorized to be appropriated for fiscal year 2003 in the amount of $5,000,000 to provide support for counter-terrorism activities in accordance with subsections (a) and (b).

SEC. 1553. SENSE OF CONGRESS ON ASSISTANCE TO FIRST RESPONDERS.

It is the sense of Congress that the Secretary of Defense should, to the extent the Secretary determines appropriate, use funds provided in this Act to assist, train, and equip local fire and police departments that would be a first responder to a domestic terrorist incident that may come about in connection with the continued fight to prosecute the war on terrorism.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Military Construction Authorization Act for Fiscal Year 2003''.

TITLE XXI—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(1), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Army: Inside the United States

State	Installation or location	Amount
Alabama	Anniston Army Depot	$1,900,000
	Fort Rucker	$3,050,000
	Redstone Arsenal	$1,950,000
Alaska	Fort Wainwright	$111,010,000
Arizona	Fort Huachuca	$10,400,000
	Yuma Proving Ground	$4,500,000
Arkansas	Pine Bluff Arsenal	$18,937,000
California	Monterey Defense Language Institute	$1,500,000
Colorado	Fort Carson	$5,350,000
District of Columbia	Walter Reed Army Medical Center	$9,950,000
Georgia	Fort Benning	$74,250,000
	Fort Stewart/Hunter Army Air Field	$26,000,000
Hawaii	Schofield Barracks	$191,000,000
Kansas	Fort Leavenworth	$3,150,000
	Fort Riley	$51,950,000
Kentucky	Blue Grass Army Depot	$5,500,000
	Fort Campbell	$106,300,000
Louisiana	Fort Polk	$31,000,000
Maryland	Fort Detrick	$22,500,000
Massachusetts	Natick Research Development and Engineering Center	$4,100,000
Missouri	Fort Leonard Wood	$15,500,000
New Jersey	Picatinny Arsenal	$7,500,000
New York	Fort Drum	$18,300,000
North Carolina	Fort Bragg	$94,900,000
Pennsylvania	Letterkenny Army Depot	$1,550,000
Texas	Fort Bliss	$10,200,000

Army: Inside the United States—Continued

State	Installation or location	Amount
Virginia	Fort Hood	$85,000,000
Washington	Fort Lee	$5,200,000
	Fort Lewis	$53,800,000
	Total	$976,247,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(2), the Secretary of the Army may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Army: Outside the United States

Country	Installation or location	Amount
Belgium	Supreme Headquarters, Allied Powers Europe	$13,600,000
Germany	Area Support Group, Bamberg	$17,200,000
	Campbell Barracks	$8,300,000
	Coleman Barracks	$1,350,000
	Darmstadt	$3,500,000
	Grafenwoehr	$69,866,000
	Landstuhl	$2,400,000
	Mannheim	$42,000,000
	Schweinfurt	$2,000,000
Italy	Vicenza	$34,700,000
Korea	Camp Carroll	$20,000,000
	Camp Castle	$6,800,000
	Camp Hovey	$25,000,000
	Camp Humphreys	$36,000,000
	Camp Henry	$10,000,000
	K16 Airfield	$40,000,000
	Yongsan	$12,600,000
	Total	$345,316,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(3), the Secretary of the Army may acquire real property and carry out military construction projects for the installation and location, and in the amount, set forth in the following table:

Army: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Unspecified Worldwide	$4,000,000

SEC. 2102. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Army: Family Housing

State or Country	Installation or location	Purpose	Amount
Alaska	Fort Wainwright	38 Units	$17,752,000
Arizona	Yuma Proving Ground	33 Units	$6,100,000
Germany	Stuttgart	1 Unit	$990,000
Korea	Yongsan	10 Units	$3,100,000
	Total:		$27,942,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of family housing units in an amount not to exceed $15,653,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2104(a)(6)(A), the Secretary of the Army may improve existing military family housing units in an amount not to exceed $234,831,000.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,935,609,000 as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $803,247,000.

(2) For military construction projects outside the United States authorized by section 2101(b), $345,316,000.

(3) For military construction projects at unspecified worldwide locations authorized by section 2101(c), $4,000,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $21,550,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $158,796,000.

(6) For military family housing functions:

(A) For construction and acquisition, planning and design and improvement of military family housing and facilities, $278,426,000.

(B) For support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,122,274,000.

(7) For the construction of phase 3 of a barracks complex, Butner Road, at Fort Bragg, North Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the

Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, as enacted into law by Public Law 106–398; 114 Stat. 1654A–389), $50,000,000.

(8) For the construction of phase 2 of a barracks complex, D Street, at Fort Richardson, Alaska, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), $21,000,000.

(9) For the construction of phase 2 of a barracks complex, Nelson Boulevard, at Fort Carson, Colorado, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2105 of this Act, $42,000,000.

(10) For the construction of phase 2 of a basic combat trainee complex at Fort Jackson, South Carolina, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), as amended by section 2105 of this Act, $39,000,000.

(11) For the construction of phase 2 of a barracks complex, 17th and B Streets at Fort Lewis, Washington, authorized by section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1280), $50,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1), (2), and (3) of subsection (a);

(2) $18,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Main Post, at Fort Benning, Georgia);

(3) $100,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Capron Avenue, at Schofield Barracks, Hawaii);

(4) $50,000,000 (the balance of the amount authorized under section 2101(a) for construction of a barracks complex, Range Road, at Fort Campbell, Kentucky); and

(5) $5,000,000 (the balance of the amount authorized under section 2101(a) for a military construction project at Fort Bliss, Texas).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (11) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $13,676,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States and savings resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes.

SEC. 2105. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECTS.

(a) MODIFICATION.—The table in section 2101(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107-107; 115 Stat. 1281) is amended—

(1) in the item relating to Fort Carson, Colorado, by striking ''$66,000,000'' in the amount column and inserting ''$67,000,000''; and

(2) in the item relating to Fort Jackson, South Carolina, by striking ''$65,650,000'' in the amount column and inserting ''$68,650,000''.

(b) CONFORMING AMENDMENTS.—Section 2104(b) of that Act (115 Stat. 1284) is amended—

(1) in paragraph (3), by striking ''$41,000,000'' and inserting ''$42,000,000''; and

(2) in paragraph (4), by striking ''$36,000,000'' and inserting ''$39,000,000''.

TITLE XXII—NAVY

SEC. 2201. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(1), the Secretary of the Navy may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Navy: Inside the United States

State	Installation or location	Amount
Arizona	Marine Corps Air Station, Yuma	$3,000,000
California	Auxiliary Landing Field, San Diego (San Clemente Island)	$6,150,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	$40,870,000
	Marine Corps Air Station, Camp Pendleton	$31,930,000
	Marine Corps Air Station, Miramar	$12,210,000
	Marine Corps Base, Camp Pendleton	$64,040,000
	Marine Corps Logistics Base, Barstow	$4,450,000
	Naval Air Station, Lemoore	$35,855,000
	Naval Air Warfare Center, Point Mugu, San Nicholas Island	$6,760,000
	Naval Air Weapons Station, China Lake	$10,100,000
	Naval Post Graduate School, Monterey	$9,020,000
	Naval Station, San Diego	$12,210,000
Connecticut	Naval Submarine Base, New London	$7,880,000
District of Columbia	Marine Corps Barracks	$3,700,000
	Naval District, Washington	$2,690,000
Florida	Naval Air Base, Jacksonville	$13,342,000
	Naval Air Station, Pensacola	$990,000
	Naval School Explosive Ordinance Detachment, Eglin	$6,350,000
	Naval Station, Mayport	$1,900,000
	Whiting Field	$1,780,000
Georgia	Naval Submarine Base, Kings Bay	$1,580,000
Hawaii	Naval Shipyard, Pearl Harbor	$18,500,000
	Naval Station, Pearl Harbor	$14,690,000
Illinois	Naval Training Center, Great Lakes	$93,190,000
Indiana	Crane Naval Surface Weapons Station	$11,610,000
Maine	Naval Shipyard, Kittery-Portsmouth	$15,200,000
Maryland	Naval Air Facility, Andrews Air Force Base	$9,680,000
	United States Naval Academy	$1,800,000
Mississippi	Naval Air Station, Meridian	$2,850,000
	Naval Construction Battalion Center, Gulfport	$5,460,000
	Naval Station, Pascagoula	$16,160,000
Nevada	Naval Air Station, Fallon	$4,010,000
New Jersey	Naval Weapons Center, Lakehurst	$5,200,000
	Naval Weapons Station Earle, Colts Neck	$5,600,000
North Carolina	Marine Corps Air Station, Cherry Point	$10,470,000
	Marine Corps Air Station, New River	$6,920,000
	Marine Corps Base, Camp Lejeune	$9,570,000
Rhode Island	Naval Station, Newport	$6,870,000
South Carolina	Marine Corps Air Station, Beaufort	$13,700,000
	Marine Corps Recruit Depot, Parris Island	$10,490,000
	Naval Weapons Station, Charlestown	$5,740,000
Texas	Naval Air Station, Corpus Christi	$7,150,000
	Naval Air Station Joint Reserve Base, Fort Worth	$8,850,000
	Naval Air Station, Kingsville	$6,210,000
Virginia	Dam Neck Fleet Combat Training Center, Atlantic	$3,900,000
	Little Creek Naval Amphibious Base	$9,770,000
	Marine Corps Combat Development Command, Quantico	$24,864,000
	Naval Air Station Oceana	$16,490,000

Navy: Inside the United States—Continued

State	Installation or location	Amount
	Naval Shipyard, Norfolk, Portsmouth	$19,660,000
	Naval Station, Norfolk	$171,505,000
	Naval Surface Warfare Center, Dahlgren	$15,830,000
	Naval Weapons Station, Yorktown	$15,020,000
Washington	Naval Air Station, Whidbey Island	$17,580,000
	Keyport Naval Undersea Warfare Command	$10,500,000
	Naval Magazine, Indian Island	$4,030,000
	Naval Station, Bremerton	$45,870,000
	Naval Submarine Base, Bangor	$22,310,000
	Puget Sound Naval Shipyard, Bremerton	$57,132,000
	Strategic Weapons Facility, Bangor	$7,340,000
Various Locations	Host Nation Infrastructure	$1,000,000
	Total	$1,009,528,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(2), the Secretary of the Navy may acquire real property and carry out military construction projects for the locations outside the United States, and in the amounts, set forth in the following table:

Navy: Outside the United States

Country	Installation or location	Amount
Bahrain	Naval Support Activity, Bahrain	$25,970,000
Diego Garcia	Diego Garcia, Naval Support Facility	$11,090,000
Greece	Naval Support Activity, Joint Headquarters Command, Larissa	$14,800,000
Guam	Commander, United States Naval Forces, Guam	$13,400,000
Iceland	Naval Air Station, Keflavik	$14,920,000
Italy	Naval Air Station, Sigonella	$55,660,000
	Total	$135,840,000

SEC. 2202. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Navy: Family Housing

State or Country	Installation or location	Purpose	Amount
California	Naval Air Station, Lemoore	178 Units	$40,981,000
	Marine Corps Air-Ground Combat Center, Twentynine Palms	76 Units	$19,425,000
Connecticut	Naval Submarine Base, New London	100 Units	$24,415,000
Florida	Naval Station, Mayport	1 Unit	$329,000
Hawaii	Marine Corps Base, Kaneohe Bay	65 Units	$24,797,000
Maine	Naval Air Station, Brunswick	26 Units	$5,800,000
Mississippi	Naval Air Station, Meridian	56 Units	$9,755,000
North Carolina	Marine Corps Base, Camp LeJeune	317 Units	$43,650,000
Virginia	Marine Corps Base, Quantico	290 Units	$41,843,000
United Kingdom	Joint Maritime Facility, St. Mawgan	62 Units	$18,524,000
		Total	$229,519,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriation in section 2204(a)(5)(A), the Secretary of the Navy may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $11,281,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2204(a)(5)(A), the Secretary of the Navy may improve existing military family housing units in an amount not to exceed $136,816,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, NAVY.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,308,007,000, as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $776,806,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $133,270,000.

(3) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $23,262,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $95,745,000.

(5) For military family housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $377,616,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $867,788,000.

(6) For replacement of a pier at Naval Station, Norfolk, Virginia, authorized in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1287), as amended by section 2205 of this Act, $33,520,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a);

(2) $48,120,000 (the balance of the amount authorized under section 2201(a) for a bachelors enlisted quarters shipboard ashore, Naval Station, Norfolk, Virginia); and

(3) $2,570,000 (the balance of the amount authorized under section 2201(b) for a quality of life support facility, Naval Air Station Sigonella, Italy).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by

$1,340,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States and savings resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes.

SEC. 2205. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2002 PROJECT.

(a) MODIFICATION.—The table in section 2201(a) of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1286) is amended—

(1) in the item relating to Naval Station, Norfolk, Virginia, by striking ''$139,270,000'' in the amount column and inserting ''$139,550,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$1,059,030,000''.

(b) CONFORMING AMENDMENT.—Section 2204(b)(2) of that Act (115 Stat. 1289) is amended by striking ''$33,240,000'' and inserting ''$33,520,000''.

TITLE XXIII—AIR FORCE

SEC. 2301. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(1), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Air Force: Inside the United States

State	Installation or location	Amount
Alabama	Maxwell Air Force Base	$8,000,000
Alaska	Clear Air Station	$14,400,000
	Eielson Air Force Base	$21,600,000
Arizona	Davis-Monthan Air Force Base	$19,270,000
	Luke Air Force Base	$13,000,000
Arkansas	Little Rock Air Force Base	$25,600,000
California	Beale Air Force Base	$11,740,000
	Travis Air Force Base	$9,600,000
	Vandenberg Air Force Base	$10,500,000
Colorado	Buckley Air National Guard Base	$17,700,000
	Peterson Air Force Base	$2,000,000
	Schriever Air Force Base	$5,700,000
	United States Air Force Academy	$9,400,000
District of Columbia	Bolling Air Force Base	$1,500,000
Florida	Elgin Air Force Base	$4,250,000
	Hurlburt Field	$15,000,000
	McDill Air Force Base	$21,000,000
	Tyndall Air Force Base	$8,100,000
Georgia	Robins Air Force Base	$5,400,000
Hawaii	Hickam Air Force Base	$1,350,000
Kansas	McConnell Air Force Base	$7,500,000
Louisiana	Barksdale Air Force Base	$10,900,000
Maryland	Andrews Air Force Base	$9,600,000
Massachusetts	Hanscom Air Force Base	$7,700,000
Mississippi	Keesler Air Force Base	$22,000,000
Nevada	Nellis Air Force Base	$37,350,000
New Jersey	McGuire Air Force Base	$24,631,000
New Mexico	Cannon Air Force Base	$4,650,000
	Holloman Air Force Base	$4,650,000
	Kirtland Air Force Base	$21,900,000
North Carolina	Pope Air Force Base	$9,700,000
Ohio	Wright-Patterson Air Force Base	$25,000,000
Oklahoma	Tinker Air Force Base	$7,500,000
South Carolina	Shaw Air Force Base	$6,800,000
Texas	Lackland Air Force Base	$37,300,000
	Laughlin Air Force Base	$8,000,000
	Sheppard Air Force Base	$24,000,000
Utah	Hill Air Force Base	$14,500,000
Virginia	Langley Air Force Base	$71,940,000
	Total	$580,731,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(2), the Secretary of the Air Force may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Air Force: Outside the United States

Country	Installation or location	Amount
Diego Garcia	Diego Garcia	$17,100,000
Germany	Ramstein Air Force Base	$71,783,000
Guam	Andersen Air Force Base	$31,000,000
Italy	Aviano Air Force Base	$6,600,000
Japan	Kadena Air Force Base	$6,000,000
Korea	Osan Air Base	$15,100,000
Spain	Naval Station, Rota	$31,818,000
Turkey	Incirlik Air Force Base	$1,550,000
United Kingdom	Royal Air Force, Fairford	$19,000,000
	Royal Air Force, Lakenheath	$13,400,000
Wake Island	Wake Island	$24,900,000
	Total	$238,251,000

(c) UNSPECIFIED WORLDWIDE.—Using the amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(3), the Secretary of the Air Force may acquire real property and carry out

military construction projects for the installation and location, and in the amount, set forth in the following table:

Air Force: Unspecified Worldwide

Location	Installation	Amount
Unspecified Worldwide	Classified Location	$32,562,000
	Total	$32,562,000

SEC. 2302. FAMILY HOUSING.

(a) CONSTRUCTION AND ACQUISITION.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may construct or acquire family housing units (including land acquisition and supporting facilities) at the installations, for the purposes, and in the amounts set forth in the following table:

Air Force: Family Housing

State or Country	Installation or location	Purpose	Amount
Arizona	Luke Air Force Base	140 Units	$18,954,000
California	Travis Air Force Base	110 Units	$24,320,000
Colorado	Peterson Air Force Base	2 Units	$959,000
	United States Air Force Academy	71 Units	$12,424,000
Delaware	Dover Air Force Base	112 Units	$19,615,000
Florida	Eglin Air Force Base	Housing Office	$597,000
	Eglin Air Force Base	134 Units	$15,906,000
	MacDill Air Force Base	96 Units	$18,086,000
Hawaii	Hickam Air Force Base	96 Units	$29,050,000
Idaho	Mountain Home Air Force Base	95 Units	$24,392,000
Kansas	McConnell Air Force Base	Housing Maintenance Facility	$1,514,000
Maryland	Andrews Air Force Base	53 Units	$9,838,000
	Andrews Air Force Base	52 Units	$8,807,000
Mississippi	Columbus Air Force Base	Housing Office	$412,000
	Keesler Air Force Base	117 Units	$16,505,000
Missouri	Whiteman Air Force Base	97 Units	$17,107,000
Montana	Malmstrom Air Force Base	18 Units	$4,717,000
New Mexico	Holloman Air Force Base	101 Units	$20,161,000
North Carolina	Pope Air Force Base	Housing Maintenance Facility	$991,000
	Seymour Johnson Air Force Base	126 Units	$18,615,000
North Dakota	Grand Forks Air Force Base	150 Units	$30,140,000
	Minot Air Force Base	112 Units	$21,428,000
	Minot Air Force Base	102 Units	$20,315,000
Oklahoma	Vance Air Force Base	59 Units	$11,423,000
South Dakota	Ellsworth Air Force Base	Housing Maintenance Facility	$447,000
	Ellsworth Air Force Base	22 Units	$4,794,000
Texas	Dyess Air Force Base	85 Units	$14,824,000
	Randolph Air Force Base	Housing Maintenance Facility	$447,000
	Randolph Air Force Base	112 Units	$14,311,000
Virginia	Langley Air Force Base	Housing Office	$1,193,000
Germany	Ramstein Air Force Base	19 Units	$8,534,000
Korea	Osan Air Base	113 Units	$35,705,000
	Osan Air Base	Housing Supply Warehouse	$834,000
United Kingdom	Royal Air Force, Lakenheath	Housing Office and Maintenance Facility	$2,203,000
	Total		$429,568,000

(b) PLANNING AND DESIGN.—Using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may carry out architectural and engineering services and construction design activities with respect to the construction or improvement of military family housing units in an amount not to exceed $34,188,000.

SEC. 2303. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, Unites States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2304(a)(6)(A), the Secretary of the Air Force may improve existing military family housing units in an amount not to exceed $217,286,000.

SEC. 2304. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,495,094,000, as follows:

(1) For military construction projects inside the United States authorized by section 2301(a), $580,731,000.

(2) For military construction projects outside the United States authorized by section 2301(b), $238,251,000.

(3) For the military construction projects at unspecified worldwide locations authorized by section 2301(c), $32,562,000.

(4) For unspecified minor construction projects authorized by section 2805 of title 10, United States Code, $11,500,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $76,958,000.

(6) For military housing functions:

(A) For construction and acquisition, planning and design, and improvement of military family housing and facilities, $681,042,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $874,050,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2301 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1), (2) and (3) of subsection (a).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (6) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $10,281,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States and savings resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes.

TITLE XXIV—DEFENSE AGENCIES

SEC. 2401. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) INSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(1), the Secretary of Defense may acquire real property and carry out military

construction projects for the installations and locations inside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Inside the United States

Agency	Installation or location	Amount
Missile Defense Agency	Kauai, Hawaii	$23,400,000
Defense Intelligence Agency	Bolling Air Force Base, District of Columbia	$121,958,000
Defense Logistics Agency	Columbus, Ohio	$5,021,000
	Defense Supply Center, Richmond, Virginia	$5,500,000
	Naval Air Station, New Orleans, Louisiana	$9,500,000
	Travis Air Force Base, California	$16,000,000
Defense Threat Reduction Agency	Fort Belvoir, Virginia	$76,388,000
Department of Defense Dependents Schools	Fort Bragg, North Carolina	$2,036,000
	Fort Jackson, South Carolina	$2,506,000
	Marine Corps Base, Camp Lejeune, North Carolina	$12,138,000
	Marine Corps Base, Quantico, Virginia	$1,418,000
	United States Military Academy, West Point, New York	$4,347,000
	Fort Meade, Maryland	$4,484,000
Joint Chiefs of Staff	Peterson Air Force Base, Colorado	$18,400,000
National Security Agency	Fort Bragg, North Carolina	$30,800,000
Special Operations Command	Hurlburt Field, Florida	$11,100,000
	Naval Amphibious Base, Little Creek, Virginia	$14,300,000
TRICARE Management Activity	Elmendorf Air Force Base, Alaska	$10,400,000
	Hickam Air Force Base, Hawaii	$2,700,000
	Total	$372,396,000

(b) OUTSIDE THE UNITED STATES.—Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(2), the Secretary of Defense may acquire real property and carry out military construction projects for the installations and locations outside the United States, and in the amounts, set forth in the following table:

Defense Agencies: Outside the United States

Agency	Installation or location	Amount
Defense Logistics Agency	Andersen Air Force Base, Guam	$17,586,000
	Naval Forces Marianas Islands, Guam	$6,000,000
	Naval Station, Rota, Spain	$23,400,000
	Royal Air Force, Fairford, United Kingdom	$17,000,000
	Yokota Air Base, Japan	$23,000,000
Department of Defense Dependents Schools	Kaiserslautern, Germany	$957,000
	Lajes Field, Azores, Portugal	$1,192,000
	Seoul, Korea	$31,683,000
	Supreme Headquarters, Allied Powers Europe, Belgium	$1,573,000
	Spangdahlem Air Base, Germany	$997,000
	Vicenza, Italy	$2,117,000
TRICARE Management Activity	Naval Support Activity, Naples, Italy	$41,449,000
	Spangdahlem Air Base, Germany	$39,629,000
	Total	$206,583,000

SEC. 2402. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS.

Subject to section 2825 of title 10, United States Code, and using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(8)(A), the Secretary of Defense may improve existing military family housing units in an amount not to exceed $5,530,000.

SEC. 2403. ENERGY CONSERVATION PROJECTS.

Using amounts appropriated pursuant to the authorization of appropriations in section 2404(a)(4), the Secretary of Defense may carry out energy conservation projects under section 2865 of title 10, United States Code, in the amount of $49,531,000.

SEC. 2404. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES.

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments) in the total amount of $1,417,779,000, as follows:

(1) For military construction projects inside the United States authorized by section 2401(a), $335,796,000.

(2) For military construction projects outside the United States authorized by section 2401(b), $206,583,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,293,000.

(4) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $45,432,000.

(6) For energy conservation projects authorized by section 2403 of this Act, $49,531,000.

(7) For base closure and realignment activities as authorized by the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), $545,138,000.

(8) For military family housing functions:

(A) For improvement of military family housing and facilities, $5,480,000.

(B) For support of military family housing (including functions described in section 2833 of title 10, United States Code), $42,432,000.

(C) For credit to the Department of Defense Housing Improvement Fund established by section 2883(a) of title 10, United States Code, as amended by section 2801 of this Act, $2,000,000.

(9) For payment of a claim against the Hospital Replacement project at Elmendorf Air Force Base, Alaska, $10,400,000.

(10) For the construction of phase 4 of an ammunition demilitarization facility at Pueblo Chemical Activity, Colorado, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839) and section 2407 of this Act, $38,000,000.

(11) For the construction of phase 5 of an ammunition demilitarization facility at Newport Army Depot, Indiana, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of this Act, $61,494,000.

(12) For the construction of phase 5 of an ammunition demilitarization facility at Aberdeen Proving Ground, Maryland, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1299), $30,600,000.

(13) For the construction of phase 3 of an ammunition demilitarization facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction

Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298) and section 2405 of this Act, $10,300,000.

(14) For the construction of phase 3 of an ammunition demilitarization support facility at Blue Grass Army Depot, Kentucky, authorized by section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), $8,300,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2401 of this Act may not exceed—

(1) the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a); and

(2) $26,200,000 (the balance of the amount authorized under section 2401(a) for the construction of the Defense Threat Reduction Center, Fort Belvoir, Virginia).

(c) ADJUSTMENT.—The total amount authorized to be appropriated pursuant to paragraphs (1) through (14) of subsection (a) is the sum of the amounts authorized to be appropriated in such paragraphs, reduced by $42,833,000, which represents the combination of savings resulting from adjustments to foreign currency exchange rates for military construction, military family housing construction, and military family housing support outside the United States and savings resulting from favorable bids, reduced overhead charges, and cancellations due to force structure changes.

SEC. 2405. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 2000 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 835), as amended by section 2405 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1298), is further amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Blue Grass Army Depot, Kentucky, by striking ''$254,030,000'' in the amount column and inserting ''$290,325,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$748,245,000''.

(b) CONFORMING AMENDMENT.—Section 2405(b)(3) of that Act (113 Stat. 839), as so amended, is further amended by striking ''$231,230,000'' and inserting ''$267,525,000''.

SEC. 2406. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1999 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2193), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1299), is amended—

(1) under the agency heading relating to Chemical Demilitarization, in the item relating to Newport Army Depot, Indiana, by striking ''$191,550,000'' in the amount column and inserting ''$293,853,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$829,919,000''.

(b) CONFORMING AMENDMENT.—Section 2404(b)(2) of that Act (112 Stat. 2196) is amended by striking ''$162,050,000'' and inserting ''$264,353,000''.

SEC. 2407. MODIFICATION OF AUTHORITY TO CARRY OUT CERTAIN FISCAL YEAR 1997 PROJECT.

(a) MODIFICATION.—The table in section 2401(a) of the Military Construction Authorization Act for Fiscal Year 1997 (division B of Public Law 104–201; 110 Stat. 2775), as amended by section 2406 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 839), is further amended—

(1) under the agency heading relating to Chemical Demilitarization Program, in the item relating to Pueblo Chemical Activity, Colorado, by striking ''$203,500,000'' in the amount column and inserting ''$261,000,000''; and

(2) by striking the amount identified as the total in the amount column and inserting ''$607,454,000''.

(b) CONFORMING AMENDMENT.—Section 2406(b)(2) of that Act (110 Stat. 2779), as so amended, is further amended by striking ''$203,500,000'' and inserting ''$261,000,000''.

TITLE XXV—NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

SEC. 2501. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS.

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Security Investment program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2502 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2502. AUTHORIZATION OF APPROPRIATIONS, NATO.

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 2002, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Security Investment program authorized by section 2501, in the amount of $168,200,000.

TITLE XXVI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2601. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS.

(a) IN GENERAL.—There are authorized to be appropriated for fiscal years beginning after September 30, 2002, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions there for, under chapter 1803 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $170,793,000; and

(B) for the Army Reserve, $86,789,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserve, $66,971,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $119,266,000; and

(B) for the Air Force Reserve, $68,576,000.

TITLE XXVII—EXPIRATION AND EXTENSION OF AUTHORIZATIONS

SEC. 2701. EXPIRATION OF AUTHORIZATIONS AND AMOUNTS REQUIRED TO BE SPECIFIED BY LAW.

(a) EXPIRATION OF AUTHORIZATIONS AFTER THREE YEARS.—Except as provided in subsection (b), all authorizations contained in titles XXI through XXVI for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) shall expire on the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorizing funds for military construction for fiscal year 2006.

(b) EXCEPTION.—Subsection (a) shall not apply to authorizations for military construction projects, land acquisition, family housing projects, and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program (and authorizations of appropriations therefor) for which appropriated funds have been obligated before the later of—

(1) October 1, 2005; or

(2) the date of the enactment of an Act authorized funds for fiscal year 2005 for military construction projects, land acquisition, family housing projects and facilities, and contributions to the North Atlantic Treaty Organization Security Investment program.

SEC. 2702. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 2000 PROJECTS.

(a) EXTENSION OF CERTAIN PROJECTS.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 2000 (division B of Public Law 106–65; 113 Stat. 841), authorizations set forth in the tables in subsection (b), as provided in section 2302 or 2601 of that Act, shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLES.—The tables referred to in subsection (a) are as follows:

Air Force: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Oklahoma	Tinker Air Force Base	Replace Family Housing (41 Units)	$6,000,000

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Virginia	Fort Pickett	Multi-Purpose Range Complex–Heavy	$13,500,000

(c) EXTENSION OF ADDITIONAL PROJECT.—Notwithstanding any other provision of law, the authorization set forth in the table in subsection (d), as provided in section 8160 of the Department of Defense Appropriations Act, 2000 (Public Law 106–79; 113 Stat. 1274), shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(d) TABLE FOR EXTENSION OF ADDITIONAL PROJECT.—The table referred to in subsection (c) is as follows:

Army National Guard: Extension of 2000 Project Authorization

State	Installation or location	Project	Amount
Pennsylvania	Connellsville	Readiness Center	$1,700,000

SEC. 2703. EXTENSION OF AUTHORIZATIONS OF CERTAIN FISCAL YEAR 1999 PROJECTS.

(a) EXTENSION.—Notwithstanding section 2701 of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2199), authorizations set forth in the table in subsection (b), as provided in section 2302 of that Act and extended by section 2702 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1301), shall remain in effect until October 1, 2003, or the date of the enactment of an Act authorizing funds for military construction for fiscal year 2004, whichever is later.

(b) TABLE.—The table referred to in subsection (a) is as follows:

Air Force: Extension of 1999 Project Authorizations

State	Installation or location	Project	Amount
Delaware	Dover Air Force Base	Replace Family Housing (55 Units)	$8,988,000
Florida	Patrick Air Force Base	Replace Family Housing (46 Units)	$9,692,000
New Mexico	Kirtland Air Force Base	Replace Family Housing (37 Units)	$6,400,000
Ohio	Wright-Patterson Air Force Base	Replace Family Housing (40 Units)	$5,600,000

SEC. 2704. EFFECTIVE DATE.

Titles XXI, XXII, XXIII, XXIV, XXV, and XXVI of this Act shall take effect on the later of—

(1) October 1, 2002; or

(2) the date of the enactment of this Act.

TITLE XXVIII—GENERAL PROVISIONS

Subtitle A—Military Construction Program and Military Family Housing Changes

SEC. 2801. CHANGES TO ALTERNATIVE AUTHORITY FOR ACQUISITION AND IMPROVEMENT OF MILITARY HOUSING.

(a) AUTHORIZED UTILITIES AND SERVICES.—Section 2872a(b) of title 10, United States Code, is amended by adding at the end the following new paragraphs:

''(11) Firefighting and fire protection services.

''(12) Police protection services.''.

(b) LEASING OF HOUSING.—Subsection (a) of section 2874 of such title is amended to read as follows:

''(a) LEASE AUTHORIZED.—(1) The Secretary concerned may enter into contracts for the lease of housing units that the Secretary determines are suitable for use as military family housing or military unaccompanied housing.

''(2) The Secretary concerned shall utilize housing units leased under paragraph (1) as military family housing or military unaccompanied housing, as appropriate.''.

(c) REPEAL OF INTERIM LEASE AUTHORITY.—Section 2879 of such title is repealed.

(d) SPACE LIMITATIONS BY PAY GRADE.—Section 2880(b)(2) of such title is amended by striking ''unless the unit is located on a military installation''.

(e) DEPARTMENT OF DEFENSE HOUSING FUND.—(1) Section 2883 of such title is amended by striking subsections (a), (b), and (c) inserting the following new subsections (a) and (b):

''(a) ESTABLISHMENT.—There is hereby established on the books of the Treasury an account to be known as the Department of Defense Housing Improvement Fund (in this section referred to as the 'Fund').

''(b) CREDITS TO FUND.—There shall be credited to the Fund the following:

''(1) Amounts authorized for and appropriated to the Fund.

''(2) Subject to subsection (e), any amounts that the Secretary of Defense transfers, in such amounts as are provided for in appropriation Acts, to the Fund from amounts authorized and appropriated to the Department of Defense for the acquisition or construction of military family housing or military unaccompanied housing.

''(3) Proceeds from the conveyance or lease of property or facilities under section 2878 of this title for the purpose of carrying out activities under this subchapter with respect to military family housing or military unaccompanied housing.

''(4) Income derived from any activities under this subchapter with respect to military family housing or military unaccompanied housing, income and gains realized from investments under section 2875 of this title, and any return of capital invested as part of such investments.

''(5) Any amounts that the Secretary of the Navy transfers to the Fund pursuant to section 2814(i)(3) of this title, subject to the restrictions on the use of the transferred amounts specified in that section.''.

(2) Such section is further amended—

(A) by redesignating subsections (d) through (g) as (c) through (f), respectively;

(B) in subsection (c), as so redesignated—

(i) in the subsection heading, by striking ''FUNDS'' and inserting ''FUND'';

(ii) in paragraph (1)—

(I) by striking ''subsection (e)'' and inserting ''subsection (d)''; and

(II) by striking ''Department of Defense Family Housing Improvement Fund'' and inserting ''Fund'';

(iii) by striking paragraph (2); and

(iv) by redesignating paragraph (3) as paragraph (2);

(C) in subsection (d), as so redesignated, by striking ''required to be used to satisfy the obligation'';

(D) in subsection (e), as so redesignated, by striking ''a Fund under paragraph (1)(B) or (2)(B) of subsection (c)'' and inserting ''the Fund under subsection (b)(2)''; and

(E) in subsection (f), as so redesignated—

(i) in paragraph (1), by striking ''$850,000,000'' and inserting ''$1,700,000,000''; and

(ii) in paragraph (2), by striking ''$150,000,000'' and inserting ''$300,000,000''.

(f) TRANSFER OF UNOBLIGATED AMOUNTS.—(1) The Secretary of Defense shall transfer to the Department of Defense Housing Improvement Fund established under section 2883(a) of title 10, United States Code (as amended by subsection (e)), any amounts in the Department of Defense Family Housing Improvement Fund and the Department of Defense Military Unaccompanied Housing Improvement that remain available for obligation as of the date of the enactment of this Act.

(2) Amounts transferred to the Department of Defense Housing Improvement Fund under paragraph (1) shall be merged with amounts in that Fund, and shall be available for the same purposes, and subject to the same conditions and limitations, as other amounts in that Fund.

(g) CONFORMING AMENDMENTS.—(1) Paragraph (3) of section 2814(i) of such title is amended—

(A) by striking subparagraph (A) and inserting the following new subparagraph (A):

''(A) The Secretary may transfer funds from the Ford Island Improvement Account to the Department of Defense Housing Improvement Fund established by section 2883(a) of this title.''; and

(B) in subparagraph (B), by striking ''a fund'' and inserting ''the Fund''.

(2) Section 2871(6) of such title is amended by striking ''Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund'' and inserting ''Department of Defense Housing Improvement Fund''.

(3) Section 2875(e) of such title is amended by striking ''Department of Defense Family Housing Improvement Fund or the Department of Defense Military Unaccompanied Housing Improvement Fund'' and inserting ''Department of Defense Housing Improvement Fund''.

(h) CLERICAL AMENDMENTS.—(1) The section heading for section 2874 of such title is amended to read as follows:

''§ 2874. Leasing of housing''.

(2) The section heading for section 2883 of such title is amended to read as follows:

''§ 2883. Department of Defense Housing Improvement Fund''.

(3) The table of sections at the beginning subchapter IV of chapter 169 of such title is amended—

(A) by striking the item relating to section 2874 and inserting the following new item:

''2874. Leasing of housing.'';

(B) by striking the item relating to section 2879; and

(C) by striking the item relating to section 2883 and inserting the following new item:

''2883. Department of Defense Housing Improvement Fund.''.

SEC. 2802. MODIFICATION OF AUTHORITY TO CARRY OUT CONSTRUCTION PROJECTS AS PART OF ENVIRONMENTAL RESPONSE ACTION.

(a) AUTHORITY TO CARRY OUT UNAUTHORIZED PROJECTS.—Subsection (a) of section 2810 of title 10, United States Code, is amended to read as follows:

''(a) AUTHORITY TO CARRY OUT UNAUTHORIZED CONSTRUCTION PROJECTS.—The Secretary concerned may carry out a military construction project not otherwise authorized by law if the Secretary determines that the project is necessary to carry out a response under chapter 160 of this title or the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.).''.

(b) CONGRESSIONAL NOTIFICATION.—Subsection (b) of such section is amended by striking ''(1)'' and the first sentence and inserting ''CONGRESSIONAL NOTIFICATION.—(1) When a decision is made to carry out a military construction project under this section that exceeds the amount specified in section 2805(b)(1) of this title, the Secretary concerned shall submit a report in writing to the appropriate committees of Congress on that decision.''.

(c) DEFINITION.—Subsection (c) of such section is amended—

(1) by inserting ''RESPONSE DEFINED.—'' after ''(c)''; and

(2) by striking ''action''.

SEC. 2803. LEASING OF MILITARY FAMILY HOUSING IN KOREA.

Paragraph (3) of section 2828(e) of title 10, United States Code, is amended to read as follows:

''(3) In addition to the 450 units of family housing referred to in paragraph (1) for which the maximum lease amount is $25,000 per unit per year, the Secretary of the Army may lease in Korea—

''(A) not more than 1,175 units of family housing subject to that maximum lease amount; and

''(B) not more than 2,400 units of family housing subject to a maximum lease amount of $35,000 per unit per year.''.

SEC. 2804. PILOT HOUSING PRIVATIZATION AUTHORITY FOR ACQUISITION OR CONSTRUCTION OF MILITARY UNACCOMPANIED HOUSING.

(a) IN GENERAL.—(1) Subchapter IV of chapter 169 of title 10, United States Code, is amended by inserting after section 2881 the following new section:

''§ 2881a. Pilot projects for acquisition or construction of military unaccompanied housing

''(a) PILOT PROJECTS AUTHORIZED.—The Secretary of the Navy may carry out not more than 3 pilot projects under the authority of this section or another provision of this subchapter to use the private sector for the acquisition or construction of military unaccompanied housing in the United States, including any territory or possession of the United States.

''(b) ASSIGNMENT OF MEMBERS AND BASIC ALLOWANCE FOR HOUSING.—(1) The Secretary of the Navy may assign members of the armed forces to housing units acquired or constructed under the pilot projects, and such housing units shall be considered as quarters of the United States or a housing facility under the jurisdiction of a uniformed service for purposes of section 403 of title 37.

''(2) Notwithstanding section 403(n)(2) of title 37, the Secretary of Defense may set specific higher rates of partial basic allowance for housing for a member of the armed forces who is assigned to a housing unit acquired or constructed under the pilot projects. Any increase in the rate of partial basic allowance for housing to accommodate the pilot programs shall be in addition to any partial basic allowance for housing that the member may otherwise be eligible to receive under section 403(n) of title 37. A member may not sustain a reduction in partial basic allowance for housing as a result of assignment to a housing unit acquired or constructed under the pilot projects.

''(c) FUNDING.—(1) The Department of Defense Housing Improvement Fund shall be used to carry out activities under the pilot projects.

''(2) Subject to 90 days prior notification to the appropriate committees of Congress, such additional amounts as the Secretary of Defense considers necessary may be transferred to the Department of Defense Housing Improvement Fund from amounts appropriated for construction of military unaccompanied housing projects in military construction accounts. The amounts so transferred shall be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund.

''(d) REPORTS.—(1) The Secretary of the Navy shall transmit to the appropriate committees of Congress a report describing—

''(A) each contract for the acquisition of military unaccompanied housing that the Secretary proposes to solicit under the pilot projects;

''(B) each conveyance or lease proposed under section 2878 of this title in furtherance of the pilot projects; and

''(C) the proposed partial basic allowance for housing rates for each contract as they vary by grade of the member and how they compare to basic allowance for housing rates for other contracts written under the authority of the pilot programs.

''(2) The report shall describe the proposed contract, conveyance, or lease and the intended method of participation of the United States in the contract, conveyance, or lease and provide a justification of such method of participation. The report shall be submitted not later than 90 days before the date on which the Secretary issues the contract solicitation or offers the conveyance or lease.

''(e) EXPIRATION.—Notwithstanding section 2885 of this title, the authority of the Secretary of the Navy to enter into a contract under the pilot programs shall expire September 30, 2007.''.

(2) The table of sections at the beginning of such subchapter is amended by inserting after the item relating to section 2881 the following new item:

''2881a. Pilot projects for acquisition or construction of military unaccompanied housing.''.

(b) CONFORMING AMENDMENT.—Section 2871(7) of title 10, United States Code, is amended by inserting before the period at the end the following: ''and transient housing intended to be occupied by members of the armed forces on temporary duty''.

Subtitle B—Real Property and Facilities Administration

SEC. 2811. AGREEMENTS WITH PRIVATE ENTITIES TO LIMIT ENCROACHMENTS AND OTHER CONSTRAINTS ON MILITARY TRAINING, TESTING, AND OPERATIONS.

(a) IN GENERAL.—Chapter 159 of title 10, United States Code, is amended by inserting after section 2684 the following new section:

''§ 2684a. Agreements to limit encroachments and other constraints on military training, testing, and operations

''(a) AGREEMENTS AUTHORIZED.—The Secretary of a military department may enter into an agreement with a private entity described in subsection (b) to address the use or development of real property in the vicinity of a military installation for purposes of—

''(1) limiting any development or use of the property that would otherwise be incompatible with the mission of the installation; or

''(2) preserving habitat on the property in a manner that is compatible with both—

''(A) current or anticipated environmental restrictions that would or might otherwise restrict, impede, or otherwise interfere, whether directly or indirectly, with current or anticipated military training, testing, or operations on the installation; and

''(B) current or anticipated military training, testing, or operations on the installation.

''(b) COVERED PRIVATE ENTITIES.—A private entity referred to in subsection (a) is any private entity that has as its stated principal organizational purpose or goal the conservation, restoration, or preservation of land and natural resources, or a similar purpose or goal, as determined by the Secretary concerned.

''(c) INAPPLICABILITY OF CERTAIN CONTRACT REQUIREMENTS.—Chapter 63 of title 31 shall not apply to any agreement entered into under this section.

''(d) ACQUISITION AND ACCEPTANCE OF PROPERTY AND INTERESTS.—(1) An agreement with a private entity under this section—

''(A) may provide for the private entity to acquire all right, title, and interest in and to any real property, or any lesser interest in the property, as may be appropriate for purposes of this section; and

''(B) shall provide for the private entity to transfer to the United States, upon the request of the United States, any property or interest so acquired.

''(2) Property or interests may not be acquired pursuant to an agreement under this section unless the owner of the property or interests, as the case may be, consents to the acquisition.

''(3) An agreement under this section providing for the acquisition of property or interests under paragraph (1)(A) shall provide for the sharing by the United States and the private entity concerned of the costs of the acquisition of the property or interests.

''(4) The Secretary concerned shall identify any property or interests to be acquired pursuant to an agreement under this section. The property or interests shall be limited to the minimum property or interests necessary to ensure that the property concerned is developed and used in a manner appropriate for purposes of this section.

''(5) Notwithstanding any other provision of law, the Secretary concerned may accept on behalf of the United States any property or interest to be transferred to the United States under paragraph (1)(B).

''(6) The Secretary concerned may, for purposes of the acceptance of property or interests under this subsection, accept an appraisal or title documents prepared or adopted by a non-Federal entity as satisfying the applicable requirements of section 301 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651) or section 355 of the Revised Statutes (40 U.S.C. 255) if the Secretary finds that the appraisal or title documents substantially comply with the requirements.

''(e) ACQUISITION OF WATER RIGHTS.—The authority of the Secretary of a military department to enter into an agreement under subsection (a) for the acquisition of real property (or an interest therein) includes the authority to support the purchase of water rights from any available source when necessary to support or protect the mission of a military installation.

''(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary concerned may require such additional terms and conditions in an agreement under this section as the Secretary considers appropriate to protect the interests of the United States.

''(g) FUNDING.—(1) Except as provided in paragraph (2), funds authorized to be appropriated for operation and maintenance of the Army, Navy, Marine Corps, Air Force, or Defense-wide activities, including funds authorized to be appropriated for the Legacy Resources Management Program, may be used to enter into agreements under this section.

''(2) In the case of a military installation operated primarily with funds authorized to be appropriated for research, development, test, and evaluation, funds authorized to be appropriated for the Army, Navy, Marine Corps, Air Force, or Defense-wide activities for research, development, test, and evaluation may be used to enter into agreements under this section with respect to the installation.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2684 the following new item:

''2684a. Agreements to limit encroachments and other constraints on military training, testing, and operations.''.

SEC. 2812. CONVEYANCE OF SURPLUS REAL PROPERTY FOR NATURAL RESOURCE CONSERVATION PURPOSES.

(a) CONVEYANCE AUTHORITY.—(1) Chapter 159 of title 10, United States Code, is amended by inserting after section 2694 the following new section:

''§ 2694a. Conveyance of surplus real property for natural resource conservation

''(a) AUTHORITY TO CONVEY.—The Secretary of a military department may convey to an eligible recipient described in subsection (b) any surplus real property that—

''(1) is under the administrative control of the Secretary;

''(2) is suitable and desirable for conservation purposes;

''(3) has been made available for public benefit transfer for a sufficient period of time to potential claimants; and

''(4) is not subject to a pending request for transfer to another Federal agency or for conveyance to any other qualified recipient for public benefit transfer under the real property disposal processes and authorities established pursuant to the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471, et seq.).

''(b) ELIGIBLE RECIPIENTS.—The conveyance of surplus real property under subsection (a) may be made to any of the following:

''(1) A State or political subdivision of a State.

''(2) A nonprofit organization that exists for the primary purpose of conservation of natural resources on real property.

''(c) REVISIONARY INTEREST AND OTHER DEED REQUIREMENTS.—(1) The deed of conveyance of any surplus real property conveyed under subsection (a) disposed of under this subsection shall require the property to be used and maintained for the conservation of natural resources in perpetuity. If the Secretary of the military department that made the conveyance determines at any time that the property is not being used or maintained for such purpose, then, at the option of the Secretary, all or any portion of the property shall revert to the United States.

''(2) The deed of conveyance may permit the recipient of the property—

''(A) to convey the property to another eligible entity described in subsection (b), subject to the approval of the Secretary of the military department that made the conveyance and subject to the same covenants and terms and conditions as provided in the deed from the United States; and

''(B) to conduct incidental revenue-producing activities on the property that are compatible with the use of the property for conservation purposes.

''(3) The deed of conveyance may contain such additional terms, reservations, restrictions, and conditions as the Secretary of the military department considers appropriate to protect the interests of the United States.

''(d) RELEASE OF COVENANTS.—The Secretary of the military department that conveys real property under subsection (a), with the concurrence of the Secretary of Interior, may grant a release from a covenant included in the deed of conveyance of the property under subsection (c) on the condition that the recipient of the property pay the fair market value, as determined by the Secretary of the military department, of the property at the time of the release of the covenant. The Secretary of the military department may reduce the amount required to be paid under this subsection to account for the value of the natural resource conservation benefit that has accrued to the United States during the period the covenant was in effect, if the benefit was not taken into account in determining the original consideration for the conveyance.

''(e) LIMITATIONS.—A conveyance under subsection (a) shall not be used in settlement of any litigation, dispute, or claim against the United States, or as a condition of allowing any defense activity under any Federal, State, or local permitting or review process. The Secretary of a military department may make a conveyance under subsection (a), with the restrictions specified in subsection (c), to establish a mitigation bank, but only if the establishment of the mitigation bank does not occur in order to satisfy any condition for permitting military activity under a Federal, State, or local permitting or review process.

''(f) CONSIDERATION.—In fixing the consideration for the conveyance of real property under subsection (a) or in determining the amount of any reduction of the amount to be paid for the release of a covenant under subsection (d), the Secretary of the military department concerned shall take into consideration any benefit that has accrued or may accrue to the United States from the use of such property for the conservation of natural resources.

''(g) RELATION TO OTHER CONVEYANCE AUTHORITIES.—(1) The Secretary of a military department may not make a conveyance under this section of any real property to be disposed of under a base closure law in a manner that is inconsistent with the requirements and conditions of the base closure law.

''(2) In the case of real property on Guam, the Secretary of a military department may not make a conveyance under this section unless the Government of Guam has been first afforded the opportunity to acquire the real property as authorized by section 1 of Public Law 106–504 (114 Stat. 2309).

''(h) DEFINITIONS.—In this section:

''(1) The term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, and the territories and possessions of the United States.

''(2) The term 'base closure law' means the following:

''(A) Section 2687 of this title.

''(B) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act of 1988 (10 U.S.C. 2687 note).

''(C) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

''(D) Any other similar authority for the closure or realignment of military installations that is enacted after the date of the enactment of the National Defense Authorization Act for Fiscal Year 2003.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2694 the following new item:

''2694a. Conveyance of surplus real property for natural resource conservation.''.

(b) ACCEPTANCE OF FUNDS TO COVER ADMINISTRATIVE EXPENSES.—Section 2695(b) of such title is amended by adding at the end the following new paragraph:

''(5) The conveyance of real property under section 2694a of this title.''.

(c) AGREEMENTS WITH NONPROFIT NATURAL RESOURCE CONSERVATION ORGANIZATIONS.—Section 2701(d) of such title is amended—

(1) in paragraph (1), by striking ''with any State or local government agency, or with any Indian tribe,'' and inserting ''any State or local government agency, any Indian tribe, or any nonprofit conservation organization''; and

(2) by striking paragraph (3) and inserting the following new paragraph:

''(3) DEFINITIONS.—In this subsection:

''(A) The term 'Indian tribe' has the meaning given such term in section 101(36) of Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(36)).

''(B) The term 'nonprofit conservation organization' means any non-governmental nonprofit organization whose primary purpose is conservation of open space or natural resources.''.

SEC. 2813. NATIONAL EMERGENCY EXEMPTION FROM SCREENING AND OTHER REQUIREMENTS OF MCKINNEY-VENTO HOMELESS ASSISTANCE ACT FOR PROPERTY USED IN SUPPORT OF RESPONSE ACTIVITIES.

Section 501 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11411) is amended—

(1) by redesignating subsection (i) as subsection (j); and

(2) by inserting after subsection (h) the following new subsection (i):

''(i) APPLICABILITY TO CERTAIN PROPERTY DURING EMERGENCIES.—The screening requirements and other provisions of this section shall not apply to any property that is excess property or surplus property or that is described as unutilized or underutilized property if the property is subject to a request for conveyance or use for the purpose of directly supporting activities in response to—

''(1) a war or national emergency declared in accordance with the National Emergencies Act (50 U.S.C. 1601 et seq.); or

''(2) an emergency or major disaster declared in accordance with the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).''.

SEC. 2814. DEMONSTRATION PROGRAM ON REDUCTION IN LONG-TERM FACILITY MAINTENANCE COSTS.

(a) PROGRAM AUTHORIZED.—The Secretary of Defense may conduct a demonstration program to assess the feasibility and desirability of including facility maintenance requirements in construction contracts for military construction projects for the purpose of determining whether such requirements facilitate reductions in the long-term facility maintenance costs of the military departments.

(b) CONTRACTS.—Not more than 12 contracts may contain requirements referred to in subsection (a) for the purpose of the demonstration program under this section. The

demonstration program may only cover contracts entered into on or after the date of the enactment of this Act.

(c) EFFECTIVE PERIOD OF REQUIREMENTS.—The effective period of a requirement referred to in subsection (a) that is included in a contract for the purpose of the demonstration program under this program may not exceed five years.

(d) REPORTING REQUIREMENTS.—Not later than January 31, 2005, the Secretary of Defense shall submit to Congress a report on the demonstration program authorized by this section and the related Department of the Army demonstration program authorized by section 2814 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1310; 10 U.S.C. 2809 note), including the following:

(1) A description of all contracts entered into under the demonstration programs.

(2) An evaluation of the demonstration programs and a description of the experience of the Secretary of Defense and the Secretary of the Army respect to such contracts.

(3) Any recommendations, including recommendations for the termination, continuation, or expansion of the demonstration programs, that the Secretary of Defense or the Secretary of the Army considers appropriate.

(e) EXPIRATION.—The authority under subsection (a) to include requirements referred to in that subsection in contracts under the demonstration program under this section shall expire on September 30, 2006.

(f) FUNDING.—Amounts authorized to be appropriated for a fiscal year for military construction shall be available for the demonstration program under this section in such fiscal year.

(g) CONFORMING AMENDMENT.—Section 2814 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 115 Stat. 1310; 10 U.S.C. 2809 note) is amended—

(1) by striking subsection (d); and

(2) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 2815. EXPANDED AUTHORITY TO TRANSFER PROPERTY AT MILITARY INSTALLATIONS TO BE CLOSED TO PERSONS WHO CONSTRUCT OR PROVIDE MILITARY FAMILY HOUSING.

(a) 1988 LAW.—Section 204(e)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note) is amended by striking the last sentence.

(b) 1990 LAW.—Section 2905(f)(1) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking the last sentence.

Subtitle C—Land Conveyances

PART I—ARMY CONVEYANCES

SEC. 2821. LAND CONVEYANCES, LANDS IN ALASKA NO LONGER REQUIRED FOR NATIONAL GUARD PURPOSES.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey to an eligible entity described subsection (b) all right, title, and interest of the United States in and to any parcel of real property, including any improvements thereon, in the State of Alaska described in subsection (c) if the Secretary determines the conveyance would be in the public interest.

(b) ELIGIBLE RECIPIENTS.—The following entities shall be eligible to receive real property under subsection (a):

(1) The State of Alaska.

(2) A governmental entity in the State of Alaska.

(3) A Native Corporation (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)).

(4) The Metlakatla Indian Community.

(c) COVERED PROPERTY.—Subsection (a) applies to real property located in the State of Alaska that—

(1) is under the jurisdiction of the Department of the Army and, before December 2, 1980, was under such jurisdiction for the use of the Alaska National Guard;

(2) is located in a unit of the National Wildlife Refuge System designated in the Alaska National Interest Lands Conservation Act (Public Law 96–487; 16 U.S.C. 668dd note);

(3) is excess to the needs of the Alaska National Guard and the Department of Defense; and

(4) the Secretary determines that—

(A) the anticipated cost to the United States of retaining the property exceeds the value of such property; or

(B) the condition of the property makes it unsuitable for retention by the United States.

(d) CONSIDERATION.—The conveyance of real property under this section shall, at the election of the Secretary, be for no consideration or for consideration in an amount determined by the Secretary to be appropriate under the circumstances.

(e) USE OF CONSIDERATION.—If consideration is received for the conveyance of real property under subsection (a), the Secretary may use the amounts received, in such amounts as are provided in appropriations Acts, to pay for—

(1) the cost of a survey described in subsection (f) with respect to the property;

(2) the cost of carrying out any environmental assessment, study, or analysis, and any remediation, that may be required under Federal law, or is considered appropriate by the Secretary, in connection with the property or the conveyance of the property; and

(3) any other costs incurred by the Secretary in conveying the property.

(f) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of any real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with a conveyance of real property under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2822. LAND CONVEYANCE, FORT CAMPBELL, KENTUCKY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the City of Hopkinsville, Kentucky, all right, title, and interest of the United States in and to a parcel of real property at Fort Campbell, Kentucky, consisting of approximately 50 acres and containing an abandoned railroad spur for the purpose of permitting the City to use the property for storm water management, recreation, transportation, and other public purposes.

(b) DESCRIPTION OF PROPERTY.—The acreage of the real property to be conveyed under subsection (a) has been determined by the Secretary through a legal description outlining such acreage. No further survey of the property before transfer is necessary.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2823. LAND CONVEYANCE, ARMY RESERVE TRAINING CENTER, BUFFALO, MINNESOTA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Buffalo Independent School District 877 of Buffalo, Minnesota (in this section referred to as the ''School District''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, that is located at 800 8th Street, N.E., in Buffalo, Minnesota, and contains a former Army Reserve Training Center, which is being used by the School District as the site of the Phoenix Learning Center.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the School District.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2824. LAND CONVEYANCE, FORT BLISS, TEXAS

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the County of El Paso, Texas (in this section referred to as the ''County''), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 44 acres at Fort Bliss, Texas, for the purpose of facilitating the construction by the State of Texas of a nursing home for veterans of the Armed Forces.

(b) REVERSIONARY INTEREST.—If, at the end of the five-year period beginning on the date the Secretary makes the conveyance under subsection (a), the Secretary determines that a nursing home for veterans is not in operation on the conveyed real property, all right, title, and interest in and to the property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the County.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2825. LAND CONVEYANCE, FORT HOOD, TEXAS.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to the Veterans Land Board of the State of Texas (in this section referred to as the ''Board''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 174 acres at Fort Hood, Texas, for the purpose of permitting the Board to establish a State-run cemetery for veterans.

(b) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2826. LAND CONVEYANCE, FORT MONMOUTH, NEW JERSEY.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey by sale all

right, title, and interest of the United States in and to a parcel of land, consisting of approximately 63.95 acres of military family housing known as Howard Commons, that comprises a portion of Fort Monmouth, New Jersey.

(b) COMPETITIVE BID REQUIREMENT.—The Secretary shall use competitive procedures for the sale authorized by subsection (a).

(c) CONSIDERATION.—As consideration for the conveyance authorized under subsection (a), the recipient of the land shall pay an amount that is no less than fair market value, as determined by the Secretary. Such recipient may, as in-kind consideration, build replacement military family housing or rehabilitate existing military family housing at Fort Monmouth, New Jersey, as agreed upon by the Secretary. Any proceeds received by the Secretary not used to construct or rehabilitate such military family housing shall be deposited in the special account in the Treasury established pursuant to section 204(h) of the Federal property and Administrative Services Act of 1949 (40 U.S.C. 485(h)).

(d) DESCRIPTION OF PARCEL.—The exact acreage and legal description of the parcel to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary. The cost of the survey shall be borne by the recipient of the parcel.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

PART II—NAVY CONVEYANCES

SEC. 2831. LAND CONVEYANCE, MARINE CORPS AIR STATION, MIRAMAR, SAN DIEGO, CALIFORNIA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Navy may convey to the ENPEX Corporation, Incorporated (in this section referred to as the ''Corporation''), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, at Marine Corps Air Station Miramar, San Diego, California, consisting of approximately 60 acres and appurtenant easements and any other necessary interests in real property for the purpose of permitting the Corporation to use the property for the production of electric power and related ancillary activities.

(b) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the Corporation shall—

(A) convey to the United States all right, title, and interest of the Corporation in and to a parcel of real property in the San Diego area that is suitable for military family housing, as determined by the Secretary; and

(B) if the parcel conveyed under subparagraph (A) does not contain housing units suitable for use as military family housing, design and construct such military family housing units and supporting facilities as the Secretary considers appropriate.

(2) The total combined value of the real property and military family housing conveyed by the Corporation under this subsection shall be at least equal to the fair market value of the real property conveyed to the Secretary under subsection (a), including any severance costs arising from any diminution of the value or utility of other property at Marine Corps Air Station Miramar attributable to the prospective future use of the property conveyed under subsection (a).

(3) The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and the fair market value of the consideration to be provided under this subsection. Such determinations shall be final.

(c) REVERSIONARY INTEREST.—(1) Subject to paragraph (2), if the Secretary determines at any time that the property conveyed under subsection (a) is not being used in accordance with the purpose of the conveyance specified in such subsection, all right, title, and interest in and to the property, including any improvements thereon, shall revert, at the option of the Secretary, to the United States, and the United States shall have the right of immediate entry onto the property. Any determination of the Secretary under this subsection shall be made on the record after an opportunity for a hearing.

(2) If Marine Corps Air Station Miramar is no longer used as a Federal aviation facility, paragraph (1) shall no longer apply, and the Secretary shall release, without consideration, the reversionary interest retained by the United States under such paragraph.

(d) ADMINISTRATIVE EXPENSES.—(1) The Corporation shall make funds available to the Secretary to cover costs to be incurred by the Secretary, or reimburse the Secretary for costs incurred, to carry out the conveyance under subsection (a), including survey costs, costs related to environmental documentation, and other administrative costs related to the conveyance. This paragraph does not apply to costs associated with the removal of explosive ordnance from the parcel and environmental remediation of the parcel.

(2) Section 2695(c) of title 10 United States Code, shall apply to any amount received under paragraph (1). If the amounts received in advance under such paragraph exceed the costs actually incurred by the Secretary, the Secretary shall refund the excess amount to the Corporation.

(e) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the property to be conveyed by the Corporation under subsection (b) shall be determined by a survey satisfactory to the Secretary.

(f) EXEMPTIONS.—Section 2696 of title 10, United States Code, does not apply to the conveyance authorized by subsection (a), and the authority to make the conveyance shall not be considered to render the property excess or underutilized.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2832. BOUNDARY ADJUSTMENTS, MARINE CORPS BASE, QUANTICO, AND PRINCE WILLIAM FOREST PARK, VIRGINIA.

(a) BOUNDARY ADJUSTMENTS AND RELATED TRANSFERS.—(1) The Secretary of the Navy and the Secretary of the Interior shall adjust the boundaries of Marine Corps Base, Quantico, Virginia, and Prince William Forest Park, Virginia, to conform to the boundaries depicted on the map entitled ''Map Depicting Boundary Adjustments Proposed With March 10, 1998, MOU Between Prince William Forest Park and Marine Corps Base Quantico''.

(2) As part of the boundary adjustment, the Secretary of the Navy shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Interior approximately 352 acres of land, as depicted on the map, and the Secretary of the Interior shall retain administrative jurisdiction over approximately 1,034 acres of land, which is a portion of the Department of Interior land commonly known as the Quantico Special Use Permit Land.

(3) As part of the boundary adjustment, the Secretary of the Interior shall transfer, without reimbursement, to the administrative jurisdiction of the Secretary of the Navy approximately 3398 acres of land, as depicted on the map.

(b) EFFECT OF SUBSEQUENT DETERMINATION PROPERTY IS EXCESS.—(1) If land transferred or retained under paragraph (2) or (3) of subsection (a) is subsequently determined to be excess to the needs of the Federal agency that received or retained the land, the head of that Federal agency shall offer to return administrative jurisdiction over the land, without reimbursement, to the Federal agency from which the land was received or retained.

(2) If the offer under paragraph (1) is not accepted within 90 days or is otherwise rejected, the head of the Federal agency holding the land may proceed to dispose of the land under then current law and regulations governing the disposal of excess property.

PART III—AIR FORCE CONVEYANCES

SEC. 2841. LAND CONVEYANCES, WENDOVER AIR FORCE BASE AUXILIARY FIELD, NEVADA.

(a) CONVEYANCES AUTHORIZED TO WEST WENDOVER, NEVADA.—(1) The Secretary of the Interior may convey, without consideration, to the City of West Wendover, Nevada, all right, title, and interest of the United States in and to the following:

(A) The lands at Wendover Air Force Base Auxiliary Field, Nevada, identified in Easement No. AFMC–HL–2–00–334 that are determined by the Secretary of the Air Force to be no longer required for Air Force purposes.

(B) The lands at Wendover Air Force Base Auxiliary Field identified for disposition on the map entitled ''West Wendover, Nevada–Excess'', dated January 5, 2001, that are determined by the Secretary of the Air Force to be no longer required for Air Force purposes.

(2) The purposes of the conveyances under this subsection are—

(A) to permit the establishment and maintenance of runway protection zones; and

(B) to provide for the development of an industrial park and related infrastructure.

(3) The map referred to in paragraph (1)(B) shall be on file and available for public inspection in the offices of the Director of the Bureau of Land Management and the Elko District Office of the Bureau of Land Management.

(b) CONVEYANCE AUTHORIZED TO TOOELE COUNTY, UTAH.—(1) The Secretary of the Interior may convey, without consideration, to Tooele County, Utah, all right, title, and interest of the United States in and to the lands at Wendover Air Force Base Auxiliary Field identified in Easement No. AFMC–HL–2–00–318 that are determined by the Secretary of the Air Force to be no longer required for Air Force purposes.

(2) The purpose of the conveyance under this subsection is to permit the establishment and maintenance of runway protection zones and an aircraft accident potential protection zone as necessitated by continued military aircraft operations at the Utah Test and Training Range.

(c) PHASED CONVEYANCES.—The land conveyances authorized by subsections (a) and (b) may be conducted in phases. To the extent practicable, the first phase of the conveyances should involve at least 3,000 acres.

(d) MANAGEMENT OF CONVEYED LANDS.—The lands conveyed under subsections (a) and (b) shall be managed by the City of West Wendover, Nevada, City of Wendover, Utah, Tooele County, Utah, and Elko County, Nevada—

(1) in accordance with the provisions of an Interlocal Memorandum of Agreement entered into between the Cities of West Wendover, Nevada, and Wendover, Utah,

Tooele County, Utah, and Elko County, Nevada, providing for the coordinated management and development of the lands for the economic benefit of both communities; and

(2) in a manner that is consistent with such provisions of the easements referred to subsections (a) and (b) that, as jointly determined by the Secretary of the Air Force and Secretary of the Interior, remain applicable and relevant to the operation and management of the lands following conveyance and are consistent with the provisions of this section.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Air Force and the Secretary of the Interior may jointly require such additional terms and conditions in connection with the conveyances required by subsections (a) and (b) as the Secretaries consider appropriate to protect the interests of the United States.

Subtitle D—Other Matters

SEC. 2861. EASEMENT FOR CONSTRUCTION OF ROADS OR HIGHWAYS, MARINE CORPS BASE, CAMP PENDLETON, CALIFORNIA.

Section 2851(a) of the Military Construction Authorization Act for Fiscal Year 1999 (division B of Public Law 105–261; 112 Stat. 2219), as amended by section 2867 of the National Defense Authorization Act for Fiscal Year 2002 (Public Law 107–107; 115 Stat. 1334) is amended in the first sentence by striking ''easement to construct'' and all that follows through the period at the end and inserting ''easement to construct, operate, and maintain a restricted access highway, notwithstanding any provision of State law that would otherwise prevent the Secretary from granting the easement or the Agency from constructing, operating, or maintaining the restricted access highway.''.

SEC. 2862. SALE OF EXCESS TREATED WATER AND WASTEWATER TREATMENT CAPACITY, MARINE CORPS BASE, CAMP LEJEUNE, NORTH CAROLINA.

(a) SALE AUTHORIZED.—The Secretary of the Navy may provide to Onslow County, North Carolina, or any authority or political subdivision organized under the laws of North Carolina to provide public water or sewage services in Onslow County (in this section referred to as the ''County''), treated water and wastewater treatment services from facilities at Marine Corps Base, Camp Lejeune, North Carolina, if the Secretary determines that the provision of these utility services is in the public interest and will not interfere with current or future operations at Camp Lejeune.

(b) INAPPLICABILITY OF CERTAIN REQUIREMENTS.—Section 2686 of title 10, United States Code, shall not apply to the provision of public water or sewage services authorized by subsection (a).

(c) CONSIDERATION.—As consideration for the receipt of public water or sewage services under subsection (a), the County shall pay to the Secretary an amount (in cash or in kind) equal to the fair market value of the services. Amounts received in cash shall be credited to the base operation and maintenance accounts of Camp Lejeune.

(d) EXPANSION.—The Secretary may make minor expansions and extensions and permit connections to the public water or sewage systems of the County in order to furnish the services authorized under subsection (a). The Secretary shall restrict the provision of services to the County to those areas in the County where residential development would be compatible with current and future operations at Camp Lejeune.

(e) ADMINISTRATIVE EXPENSES.—The Secretary may require the County to reimburse the Secretary for the costs incurred by the Secretary to provide public water or sewage services to the County under subsection (a).

(2) Section 2695(c) of title 10 United States Code, shall apply to any amount received under this subsection.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the provision of public water or sewage services under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2863. RATIFICATION OF AGREEMENT REGARDING ADAK NAVAL COMPLEX, ALASKA, AND RELATED LAND CONVEYANCES.

(a) RATIFICATION OF AGREEMENT.—The document entitled the ''Agreement Concerning the Conveyance of Property at the Adak Naval Complex'', and dated September 20, 2000, executed by the Aleut Corporation, the Department of the Interior, and the Department of the Navy, together with any technical amendments or modifications to the boundaries that may be agreed to by the parties, is hereby ratified, confirmed, and approved and the terms, conditions, procedures, covenants, reservations, indemnities and other provisions set forth in the Agreement are declared to be obligations and commitments of the United States as a matter of Federal law. Modifications to the maps and legal descriptions of lands to be removed from the National Wildlife Refuge System within the military withdrawal on Adak Island set forth in Public Land Order 1949 may be made only upon agreement of all Parties to the Agreement and notification given to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate. The acreage conveyed to the United States by the Aleut Corporation under the Agreement, as modified, shall be at least 36,000 acres.

(b) REMOVAL OF LANDS FROM REFUGE.—Effective on the date of conveyance to the Aleut Corporation of the Adak Exchange Lands as described in the Agreement, all such lands shall be removed from the National Wildlife Refuge System and shall neither be considered as part of the Alaska Maritime National Wildlife Refuge nor subject to any laws pertaining to lands within the boundaries of the Alaska Maritime National Wildlife Refuge. The conveyance restrictions imposed by section 22(g) of the Alaska Native Claims Settlement Act (43 U.S.C. 1621(g)) for land in the National Wildlife Refuge System shall not apply. The Secretary shall adjust the boundaries of the Refuge so as to exclude all interests in lands and land rights, surface and subsurface, received by the Aleut Corporation in accordance with this section and the Agreement.

(c) RELATION TO ALASKA NATIVE CLAIMS SETTLEMENT ACT.—Lands and interests therein exchanged and conveyed by the United States pursuant to this section shall be considered and treated as conveyances of lands or interests therein under the Alaska Native Claims Settlement Act, except that receipt of such lands and interests therein shall not constitute a sale or disposition of land or interests received pursuant to such Act. The public easements for access to public lands and waters reserved pursuant to the Agreement are deemed to satisfy the requirements and purposes of section 17(b) of the Alaska Native Claims Settlement Act.

(d) REACQUISITION AUTHORITY.—The Secretary of the Interior is authorized to acquire by purchase or exchange, on a willing seller basis only, any land conveyed to the Aleut Corporation under the Agreement and this section. In the event any of the lands are subsequently acquired by the United States, they shall be automatically included in the National Wildlife Refuge System. The laws and regulations applicable to refuge lands shall then apply to these lands and the Secretary shall then adjust the boundaries accordingly.

(e) CONVEYANCE OF NAVY PERSONAL PROPERTY.—Notwithstanding any other provision of law, and for the purposes of the transfer of property authorized by this section, Department of Navy personal property that remains on Adak Island is deemed related to the real property and shall be conveyed by the Department of the Navy to the Aleut Corporation, at no additional cost, when the related real property is conveyed by the Department of the Interior.

(f) ADDITIONAL CONVEYANCE.—The Secretary of the Interior shall convey to the Aleut Corporation those lands identified in the Agreement as the former landfill sites without charge to the Aleut Corporation's entitlement under the Alaska Native Claims Settlement Act.

(g) VALUATION.—For purposes of section 21(c) of the Alaska Native Claims Settlement Act, the receipt of all property by the Aleut Corporation shall be entitled to a tax basis equal to fair value on date of transfer. Fair value shall be determined by replacement cost appraisal.

(h) CERTAIN PROPERTY TREATED AS NOT DEVELOPED.—Any property, including, but not limited to, appurtenances and improvements, received pursuant to this section shall, for purposes of section 21(d) of the Alaska Native Claims Settlement Act and section 907(d) of the Alaska National Interest Lands Conservation Act be treated as not developed until such property is actually occupied, leased (other than leases for nominal consideration to public entities) or sold by the Aleut Corporation, or, in the case of a lease or other transfer by the Aleut Corporation to a wholly owned development subsidiary, actually occupied, leased, or sold by the subsidiary.

(i) CERTAIN LANDS UNAVAILABLE FOR SELECTION.—Upon conveyance to the Aleut Corporation of the lands described in Appendix A of the Agreement, the lands described in Appendix C of the Agreement will become unavailable for selection under the Alaska Native Claims Settlement Act.

(j) MAPS.—The maps included as part of Appendix A to the Agreement depict the lands to be conveyed to the Aleut Corporation. The maps are on file at the Region 7 Office of the United States Fish and Wildlife Service and the offices of the Alaska Maritime National Wildlife Refuge in Homer, Alaska. The written legal descriptions of the lands to be conveyed to the Aleut Corporation are also part of Appendix A. In case of discrepancies, the maps shall control.

(k) DEFINITIONS.—In this section:

(1) The term ''Agreement'' means the agreement ratified, confirmed, and approved under subsection (a).

(2) The term ''Aleut Corporation'' means the Alaskan Native Regional Corporation known as the Aleut Corporation incorporated in the State of Alaska pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

SEC. 2864. SPECIAL REQUIREMENTS FOR ADDING MILITARY INSTALLATION TO CLOSURE LIST.

Section 2914(d) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note), as added by section 3003 of the Military Construction Authorization Act for Fiscal Year 2002 (division B of Public Law 107–107; 155 Stat, 1346), is amended—

(1) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(2) by inserting after paragraph (3) the following new paragraph (4):

''(4) LIMITATION ON AUTHORITY TO RECOMMEND ADDITIONAL INSTALLATION FOR CLOSURE.—Notwithstanding paragraph (3), the

decision of the Commission to add a military installation to the Secretary's list of installations recommended for closure must be unanimous, and at least two members of the Commission must have visited the installation during the period of the Commission's review of the list.''.

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. NATIONAL NUCLEAR SECURITY ADMINISTRATION.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for the activities of the National Nuclear Security Administration in carrying out programs necessary for national security in the amount of $8,034,349,000, to be allocated as follows:

(1) For weapons activities, $5,937,000,000.

(2) For defense nuclear nonproliferation activities, $1,074,630,000.

(3) For naval reactors, $706,790,000.

(4) For the Office of the Administrator for Nuclear Security, $315,929,000.

(b) AUTHORIZATION OF NEW PLANT PROJECTS.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary may carry out new plant projects as follows:

(1) For weapons activities, the following new plant projects:

Project 03–D–101, Sandia underground reactor facility (SURF), Sandia National Laboratories, Albuquerque, New Mexico, $2,000,000.

Project 03–D–103, project engineering and design, various locations, $15,539,000.

Project 03–D–121, gas transfer capacity expansion, Kansas City Plant, Kansas City, Missouri, $4,000,000.

Project 03–D–122, prototype purification facility, Y–12 plant, Oak Ridge, Tennessee, $20,800,000.

Project 03–D–123, special nuclear materials requalification, Pantex plant, Amarillo, Texas, $3,000,000.

(2) For naval reactors, the following new plant project:

Project 03–D–201, cleanroom technology facility, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania, $7,200,000.

SEC. 3102. ENVIRONMENTAL AND OTHER DEFENSE ACTIVITIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 2003 for environmental restoration and waste management activities and other defense activities in carrying out programs necessary for national security in the amount of $7,366,510,000, to be allocated as follows:

(1) For defense environmental restoration and waste management, $4,544,133,000.

(2) For defense environmental management cleanup reform in carrying out environmental restoration and waste management activities necessary for national security programs, $800,000,000.

(3) For defense facilities closure projects, $1,091,314,000.

(4) For defense environmental management privatization, $158,399,000.

(5) For other defense activities in carrying out programs necessary for national security, $457,664,000.

(6) For defense nuclear waste disposal for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)), $315,000,000.

(b) AUTHORIZATION OF NEW PLANT PROJECT.—From funds referred to in subsection (a) that are available for carrying out plant projects, the Secretary may carry out, for environmental restoration and waste management activities, the following new plant project:

Project 03–D–403, immobilized high-level waste interim storage facility, Richland, Washington, $6,363,000.

Subtitle B—Department of Energy National Security Authorizations General Provisions

SEC. 3120. SHORT TITLE; DEFINITIONS.

(a) SHORT TITLE.—This subtitle may be cited as the ''Department of Energy National Security Authorizations General Provisions Act''.

(b) DEFINITIONS.—In this subtitle:

(1) The term ''DOE national security authorization'' means an authorization of appropriations for activities of the Department of Energy in carrying out programs necessary for national security.

(2) The term ''congressional defense committees'' means—

(A) the Committee on Armed Services and the Committee on Appropriations of the Senate; and

(B) the Committee on Armed Services and the Committee on Appropriations of the House of Representatives.

(3) The term ''minor construction threshold'' means $5,000,000.

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Except as provided in sections 3129 and 3130, the Secretary of Energy may not use amounts appropriated pursuant to a DOE national security authorization for a program—

(1) in amounts that exceed, in a fiscal year, the amount authorized for that program by that authorization for that fiscal year; or

(2) which has not been presented to, or requested of, Congress,

until the Secretary submits to the congressional defense committees a report referred to in subsection (b) with respect to that program and a period of 30 days has elapsed after the date on which such committees receive the report.

(b) REPORT.—The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of the proposed action.

(c) COMPUTATION OF DAYS.—In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain.

(d) LIMITATIONS.—

(1) TOTAL AMOUNT OBLIGATED.—In no event may the total amount of funds obligated pursuant to a DOE national security authorization for a fiscal year exceed the total amount authorized to be appropriated by that authorization for that fiscal year.

(2) PROHIBITED ITEMS.—Funds appropriated pursuant to a DOE national security authorization may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. MINOR CONSTRUCTION PROJECTS.

(a) AUTHORITY.—Using operation and maintenance funds or facilities and infrastructure funds authorized by a DOE national security authorization, the Secretary of Energy may carry out minor construction projects.

(b) ANNUAL REPORT.—The Secretary shall submit to the congressional defense committees on an annual basis a report on each exercise of the authority in subsection (a) during the preceding fiscal year. Each report shall provide a brief description of each minor construction project covered by the report.

(c) COST VARIATION REPORTS TO CONGRESSIONAL COMMITTEES.—If, at any time during the construction of any minor construction project authorized by a DOE national security authorization, the estimated cost of the project is revised and the revised cost of the project exceeds the minor construction threshold, the Secretary shall immediately submit to the congressional defense committees a report explaining the reasons for the cost variation.

(d) MINOR CONSTRUCTION PROJECT DEFINED.—In this section, the term ''minor construction project'' means any plant project not specifically authorized by law for which the approved total estimated cost does not exceed the minor construction threshold.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—

(1) CONSTRUCTION COST CEILING.—Except as provided in paragraph (2), construction on a construction project which is in support of national security programs of the Department of Energy and was authorized by a DOE national security authorization may not be started, and additional obligations in connection with the project above the total estimated cost may not be incurred, whenever the current estimated cost of the construction project exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) EXCEPTION WHERE NOTICE-AND-WAIT GIVEN.—An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) COMPUTATION OF DAYS.—In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than three days to a day certain.

(b) EXCEPTION FOR MINOR PROJECTS.—Subsection (a) does not apply to a construction project with a current estimated cost of less than the minor construction threshold.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to a DOE national security authorization to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same time period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY.—

(1) TRANSFERS PERMITTED.—Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to a DOE national security authorization between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) MAXIMUM AMOUNTS.—Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(c) LIMITATIONS.—The authority provided by this subsection to transfer authorizations—

(1) may be used only to provide funds for items relating to activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(2) may not be used to provide funds for an item for which Congress has specifically denied funds.

(d) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives of any transfer of funds to or from any DOE national security authorization.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) REQUIREMENT OF CONCEPTUAL DESIGN.—

(1) IN GENERAL.—Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) REQUESTS FOR CONCEPTUAL DESIGN FUNDS.—If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) EXCEPTIONS.—The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than the minor construction threshold; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—

(1) IN GENERAL.—Within the amounts authorized by a DOE national security authorization, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) SPECIFIC AUTHORITY REQUIRED.—If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for that design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to a DOE national security authorization, including funds authorized to be appropriated for advance planning, engineering, and construction design, and for plant projects, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, to meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of a construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making those activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to a DOE national security authorization for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

(a) IN GENERAL.—Except as provided in subsection (b), amounts appropriated for operation and maintenance or for plant projects may, when so specified in an appropriations Act, remain available until expended.

(b) EXCEPTION FOR NNSA FUNDS.—Amounts appropriated for the National Nuclear Security Administration pursuant to a DOE national security authorization for a fiscal year shall remain available to be expended—

(1) only until the end of that fiscal year, in the case of amounts appropriated for the Office of the Administrator for Nuclear Security; and

(2) only in that fiscal year and the two succeeding fiscal years, in all other cases.

SEC. 3129. TRANSFER OF DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.

(a) TRANSFER AUTHORITY FOR DEFENSE ENVIRONMENTAL MANAGEMENT FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer defense environmental management funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—

(1) NUMBER OF TRANSFERS.—Not more than one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) AMOUNTS TRANSFERRED.—The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) DETERMINATION REQUIRED.—A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer is necessary—

(A) to address a risk to health, safety, or the environment; or

(B) to assure the most efficient use of defense environmental management funds at the field office.

(4) IMPERMISSIBLE USES.—Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Assistant Secretary of Energy for Environmental Management, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section—

(1) the term ''program or project'' means, with respect to a field office of the Department of Energy, a program or project that is for environmental restoration or waste management activities necessary for national security programs of the Department, that is being carried out by that office, and for which defense environmental management funds have been authorized and appropriated; and

(2) the term ''defense environmental management funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out environmental restoration and waste management activities necessary for national security programs.

SEC. 3130. TRANSFER OF WEAPONS ACTIVITIES FUNDS.

(a) TRANSFER AUTHORITY FOR WEAPONS ACTIVITIES FUNDS.—The Secretary of Energy shall provide the manager of each field office of the Department of Energy with the authority to transfer weapons activities funds from a program or project under the jurisdiction of that office to another such program or project.

(b) LIMITATIONS.—

(1) NUMBER OF TRANSFERS.—Not more than one transfer may be made to or from any program or project under subsection (a) in a fiscal year.

(2) AMOUNTS TRANSFERRED.—The amount transferred to or from a program or project in any one transfer under subsection (a) may not exceed $5,000,000.

(3) DETERMINATION REQUIRED.—A transfer may not be carried out by a manager of a field office under subsection (a) unless the manager determines that the transfer—

(A) is necessary to address a risk to health, safety, or the environment; or

(B) will result in cost savings and efficiencies.

(4) LIMITATION.—A transfer may not be carried out by a manager of a field office under subsection (a) to cover a cost overrun or scheduling delay for any program or project.

(5) IMPERMISSIBLE USES.—Funds transferred pursuant to subsection (a) may not be used for an item for which Congress has specifically denied funds or for a new program or project that has not been authorized by Congress.

(c) EXEMPTION FROM REPROGRAMMING REQUIREMENTS.—The requirements of section 3121 shall not apply to transfers of funds pursuant to subsection (a).

(d) NOTIFICATION.—The Secretary, acting through the Administrator for Nuclear Security, shall notify Congress of any transfer of funds pursuant to subsection (a) not later than 30 days after such transfer occurs.

(e) DEFINITIONS.—In this section—

(1) the term ''program or project'' means, with respect to a field office of the Department of Energy, a program or project that is for weapons activities necessary for national security programs of the Department, that is being carried out by that office, and for which weapons activities funds have been authorized and appropriated; and

(2) the term ''weapons activities funds'' means funds appropriated to the Department of Energy pursuant to an authorization for carrying out weapons activities necessary for national security programs.

SEC. 3131. SCOPE OF AUTHORITY TO CARRY OUT PLANT PROJECTS.

In carrying out programs necessary for national security, the authority of the Secretary of Energy to carry out plant projects includes authority for maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3141. ONE-YEAR EXTENSION OF PANEL TO ASSESS THE RELIABILITY, SAFETY, AND SECURITY OF THE UNITED STATES NUCLEAR STOCKPILE.

Section 3159 of the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (42 U.S.C. 2121 note) is amended—

(1) in subsection (d), by striking ''February 1, 2002,'' and inserting ''February 1 of 2002 and 2003,''; and

(2) in subsection (g), by striking ''three years'' and all that follows through the period at the end and inserting ''April 1, 2003.''.

SEC. 3142. TRANSFER TO NATIONAL NUCLEAR SECURITY ADMINISTRATION OF DEPARTMENT OF DEFENSE'S COOPERATIVE THREAT REDUCTION PROGRAM RELATING TO ELIMINATION OF WEAPONS GRADE PLUTONIUM IN RUSSIA.

(a) TRANSFER OF PROGRAM.—There are hereby transferred to the Administrator for Nuclear Security the following:

(1) The program, within the Cooperative Threat Reduction program of the Department of Defense, relating to the elimination of weapons grade plutonium in Russia.

(2) All functions, powers, duties, and activities of that program performed before the date of the enactment of this Act by the Department of Defense.

(b) TRANSFER OF ASSETS.—(1) So much of the property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the program transferred by subsection (a) are transferred to the Administrator for use in connection with the program transferred.

(2) Funds so transferred—

(A) shall be credited to the appropriation account of the Department of Energy for the activities of the National Nuclear Security Administration in carrying out defense nuclear nonproliferation activities; and

(B) remain subject to such limitations as applied to such funds before such transfer.

(c) REFERENCES.—Any reference in any other Federal law to the Secretary of Defense (or an officer of the Department of Defense) or the Department of Defense shall, to the extent such reference pertains to a function transferred by this section, be deemed to refer to the Administrator for Nuclear Security or the National Nuclear Security Administration, as applicable.

SEC. 3143. REPEAL OF REQUIREMENT FOR REPORTS ON OBLIGATION OF FUNDS FOR PROGRAMS ON FISSILE MATERIALS IN RUSSIA.

Section 3131 of the National Defense Authorization Act for Fiscal Year 1996 (Public Law 104–106; 110 Stat. 617; 22 U.S.C. 5952 note) is amended—

(1) in subsection (a), by striking ''(a) AUTHORITY.—''; and

(2) by striking subsection (b).

SEC. 3144. ANNUAL CERTIFICATION TO THE PRESIDENT AND CONGRESS ON THE CONDITION OF THE UNITED STATES NUCLEAR WEAPONS STOCKPILE.

(a) CERTIFICATION REQUIRED.—(1) Not later than January 15 of each year, each official specified in subsection (b)(1) shall submit to the Secretary concerned a certification regarding the safety, reliability, and performance of each nuclear weapon type in the active stockpile of the United States for which such official is responsible.

(2) Not later than February 1 of each year, the Secretary of Defense and the Secretary of Energy shall each submit to the President and the Congress—

(A) each certification, without change, submitted under paragraph (1) to that Secretary;

(B) each report, without change, submitted under subsection (d) to that Secretary;

(C) the comments of that Secretary with respect to each such certification and each such report; and

(D) any other information that the Secretary considers appropriate.

(b) COVERED OFFICIALS AND SECRETARIES.—(1) The officials referred to in subsection (a) are the following:

(A) The head of each national security laboratory, as defined in section 3281 of the National Nuclear Security Administration Act (50 U.S.C. 2471).

(B) The commander of the United States Strategic Command.

(2) In this section, the term ''Secretary concerned'' means—

(A) the Secretary of Energy, with respect to matters concerning the Department of Energy; and

(B) the Secretary of Defense, with respect to matters concerning the Department of Defense.

(c) USE OF ''RED TEAMS'' FOR LABORATORY CERTIFICATIONS.—The head of each national security laboratory shall, to assist in the certification process required by subsection (a), establish one or more teams of experts known as ''red teams''. Each such team shall—

(1) subject to challenge the matters covered by that laboratory's certification, and submit the results of such challenge, together with findings and recommendations, to the head of that laboratory; and

(2) carry out peer review of the certifications carried out by the other laboratories, and submit the results of such peer review to the head of the laboratory concerned.

(d) REPORT ACCOMPANYING CERTIFICATION.—Each official specified in subsection (b)(1) shall submit with each such certification a report on the stockpile stewardship and management program of the Department of Energy. The report shall include the following:

(1) An assessment of the adequacy of the science-based tools and methods being used to determine the matters covered by the certification.

(2) An assessment of the capability of the manufacturing infrastructure required by section 3137 of the National Defense Authorization Act for Fiscal Year 1996 (42 U.S.C. 2121 note) to identify and fix any inadequacy with respect to the matters covered by the certification.

(3) An assessment of the need of the United States to resume testing of nuclear weapons and the readiness of the United States to resume such testing, together with an identification of the specific tests the conduct of which might have value and the anticipated value of conducting such tests.

(4) An identification and discussion of any other matter that adversely affects the ability to accurately determine the matters covered by the certification.

(5) In the case of a report submitted by the head of a national security laboratory, the findings and recommendations submitted by the ''red teams'' under subsection (c) that relate to such certification, and a discussion of those findings and recommendations.

(6) In the case of a report submitted by the head of a national security laboratory, a discussion of the relative merits of other weapon types that could accomplish the mission of the weapon type covered by such certification.

(e) CLASSIFIED FORM.—Each submission required by this section shall be made only in classified form.

SEC. 3145. PLAN FOR ACHIEVING ONE-YEAR READINESS POSTURE FOR RESUMPTION BY THE UNITED STATES OF UNDERGROUND NUCLEAR WEAPONS TESTS.

(a) PLAN REQUIRED.—The Secretary of Energy, in consultation with the Administrator for Nuclear Security, shall prepare a plan for achieving, not later than one year after the date on which the plan is submitted under subsection (c), a one-year readiness posture for resumption by the United States of underground nuclear weapons tests.

(b) DEFINITION.—For purposes of this section, a one-year readiness posture for resumption by the United States of underground nuclear weapons tests is achieved when the Department of Energy has the capability to resume such tests, if directed by the President to resume such tests, not later than one year after the date on which the President so directs.

(c) REPORT.—The Secretary shall include with the budget justification materials submitted to Congress in support of the Department of Energy budget for fiscal year 2004 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) a report on the plan required by subsection (a). The report shall include the plan and a budget for implementing the plan.

SEC. 3146. PROHIBITION ON DEVELOPMENT OF LOW-YIELD NUCLEAR WEAPONS.

(a) UNITED STATES POLICY.—It shall be the policy of the United States not to conduct development which could lead to the production by the United States of a new low-yield nuclear weapon, including a precision low-yield warhead.

(b) LIMITATION.—The Secretary of Energy may not conduct, or provide for the conduct of, development which could lead to the production by the United States of a low-yield nuclear weapon which, as of the date of the enactment of this Act, has not entered production.

(c) EFFECT ON OTHER DEVELOPMENT.—Nothing in this section shall prohibit the Secretary of Energy from conducting, or providing for the conduct of, development necessary—

(1) to design a testing device that has a yield of less than five kilotons;

(2) to modify an existing weapon for the purpose of addressing safety and reliability concerns; or

(3) to address proliferation concerns.

(d) DEFINITIONS.—In this section—

(1) the term ''low-yield nuclear weapon'' means a nuclear weapon that has a yield of less than five kilotons; and

(2) the term ''development'' does not include concept definition studies, feasibility studies, or detailed engineering design work.

(e) CONFORMING REPEAL.—Section 3136 of the National Defense Authorization Act for Fiscal Year 1994 (42 U.S.C. 2121 note) is repealed.

Subtitle D—Matters Relating to Defense Environmental Management

SEC. 3151. DEFENSE ENVIRONMENTAL MANAGEMENT CLEANUP REFORM PROGRAM.

(a) PROGRAM REQUIRED.—From funds made available pursuant to section 3102(a)(2) for defense environmental management cleanup reform, the Secretary of Energy shall carry out a program to reform DOE environmental management activities. In carrying out the program, the Secretary shall allocate, to each site for which the Secretary has submitted to the congressional defense committees a site performance management plan, the amount of those funds that such plan requires.

(b) TRANSFER AND MERGER OF FUNDS.—Funds so allocated shall, notwithstanding section 3124, be transferred to the account for DOE environmental management activities and, subject to subsection (c), shall be merged with and be available for the same purposes and for the same period as the funds available in such account. The authority provided by section 3129 shall apply to funds so transferred.

(c) LIMITATION ON USE OF ALL MERGED FUNDS.—Upon a transfer and merger of funds under subsection (b), all funds in the merged account that are available with respect to the site may be used only to carry out the site performance management plan for such site.

(d) SITE PERFORMANCE MANAGEMENT PLAN DEFINED.—For purposes of this section, a site

performance management plan for a site is a plan, agreed to by the applicable Federal and State agencies with regulatory jurisdiction with respect to the site, for the performance of activities to accelerate the reduction of environmental risk in connection with, and to accelerate the environmental cleanup of, the site.

(e) DOE ENVIRONMENTAL MANAGEMENT ACTIVITIES DEFINED.—For purposes of this section, the term ''DOE environmental management activities'' means environmental restoration and waste management activities of the Department of Energy in carrying out programs necessary for national security.

SEC. 3152. REPORT ON STATUS OF ENVIRONMENTAL MANAGEMENT INITIATIVES TO ACCELERATE THE REDUCTION OF ENVIRONMENTAL RISKS AND CHALLENGES POSED BY THE LEGACY OF THE COLD WAR.

(a) REPORT REQUIRED.—The Secretary of Energy shall prepare a report on the status of those environmental management initiatives specified in subsection (b) that are being undertaken to accelerate the reduction of the environmental risks and challenges that, as a result of the legacy of the Cold War, are faced by the Department of Energy, contractors of the Department, and applicable Federal and State agencies with regulatory jurisdiction.

(b) CONTENTS.—The report shall include the following matters:

(1) A discussion of the progress made in reducing such risks and challenges in each of the following areas:

(A) Acquisition strategy and contract management.

(B) Regulatory agreements.

(C) Interim storage and final disposal of high-level waste, spent nuclear fuel, transuranic waste, and low-level waste.

(D) Closure and transfer of environmental remediation sites.

(E) Achievements in innovation by contractors of the Department with respect to accelerated risk reduction and cleanup.

(F) Consolidation of special nuclear materials and improvements in safeguards and security.

(2) An assessment of the progress made in streamlining risk reduction processes of the environmental management program of the Department.

(3) An assessment of the progress made in improving the responsiveness and effectiveness of the environmental management program of the Department.

(4) Any proposals for legislation that the Secretary considers necessary to carry out such initiatives, including the justification for each such proposal.

(c) INITIATIVES COVERED.—The environmental management initiatives referred to in subsection (a) are the initiatives arising out of the report titled ''Top-to-Bottom Review of the Environmental Management Program'' and dated February 4, 2002, with respect to the environmental restoration and waste management activities of the Department of Energy in carrying out programs necessary for national security.

(d) SUBMISSION OF REPORT.—On the date on which the budget justification materials in support of the Department of Energy budget for fiscal year 2004 (as submitted with the budget of the President under section 1105(a) of title 31, United States Code) are submitted to Congress, the Secretary shall submit to the congressional defense committees the report required by subsection (a).

TITLE XXXII—DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SEC. 3201. AUTHORIZATION.

There are authorized to be appropriated for fiscal year 2003, $19,000,000 for the operation of the Defense Nuclear Facilities Safety Board under chapter 21 of the Atomic Energy Act of 1954 (42 U.S.C. 2286 et seq.).

TITLE XXXIII—NATIONAL DEFENSE STOCKPILE

SEC. 3301. AUTHORIZED USES OF NATIONAL DEFENSE STOCKPILE FUNDS.

(a) OBLIGATION OF STOCKPILE FUNDS.—During fiscal year 2003, the National Defense Stockpile Manager may obligate up to $76,400,000 of the funds in the National Defense Stockpile Transaction Fund established under subsection (a) of section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h) for the authorized uses of such funds under subsection (b)(2) of such section, including the disposal of hazardous materials that are environmentally sensitive.

(b) ADDITIONAL OBLIGATIONS.—The National Defense Stockpile Manager may obligate amounts in excess of the amount specified in subsection (a) if the National Defense Stockpile Manager notifies Congress that extraordinary or emergency conditions necessitate the additional obligations. The National Defense Stockpile Manager may make the additional obligations described in the notification after the end of the 45-day period beginning on the date on which Congress receives the notification.

(c) LIMITATIONS.—The authorities provided by this section shall be subject to such limitations as may be provided in appropriations Acts.

TITLE XXXIV—NAVAL PETROLEUM RESERVES

SEC. 3401. AUTHORIZATION OF APPROPRIATIONS.

(a) AMOUNT.—There are hereby authorized to be appropriated to the Secretary of Energy $21,069,000 for fiscal year 2003 for the purpose of carrying out activities under chapter 641 of title 10, United States Code, relating to the naval petroleum reserves.

(b) PERIOD OF AVAILABILITY.—Funds appropriated pursuant to the authorization of appropriations in subsection (a) shall remain available until expended.

TITLE XXXV—MARITIME ADMINISTRATION

SEC. 3501. AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2003.

Funds are hereby authorized to be appropriated for fiscal year 2003, to be available without fiscal year limitation if so provided in appropriations Acts, for the use of the Department of Transportation for the Maritime Administration as follows:

(1) For expenses necessary for operations and training activities, $93,132,000.

(2) For expenses under the loan guarantee program authorized by title XI of the Merchant Marine Act, 1936 (46 App. U.S.C. 1271 et seq.), $54,126,000, of which—

(A) $50,000,000 is for the cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5))) of loan guarantees under the program; and

(B) $4,126,000 is for administrative expenses related to loan guarantee commitments under the program.

(3) For expenses to dispose of obsolete vessels in the National Defense Reserve Fleet, including provision of assistance under section 7 of Public Law 92–402 (as amended by this title), $20,000,000.

SEC. 3502. AUTHORITY TO CONVEY VESSEL USS SPHINX (ARL–24).

(a) IN GENERAL.—Notwithstanding any other law, the Secretary of Transportation may convey the right, title, and interest of the United States Government in and to the vessel USS SPHINX (ARL–24), to the Dunkirk Historical Lighthouse and Veterans Park Museum (a not-for-profit corporation, in this section referred to as the ''recipient'') for use as a military museum, if—

(1) the recipient agrees to use the vessel as a nonprofit military museum;

(2) the vessel is not used for commercial transportation purposes;

(3) the recipient agrees to make the vessel available to the Government when the Secretary requires use of the vessel by the Government;

(4) the recipient agrees that when the recipient no longer requires the vessel for use as a military museum—

(A) the recipient will, at the discretion of the Secretary, reconvey the vessel to the Government in good condition except for ordinary wear and tear; or

(B) if the Board of Trustees of the recipient has decided to dissolve the recipient according to the laws of the State of New York, then—

(i) the recipient shall distribute the vessel, as an asset of the recipient, to a person that has been determined exempt from taxation under the provisions of section 501(c)(3) of the Internal Revenue Code, or to the Federal Government or a State or local government for a public purpose; and

(ii) the vessel shall be disposed of by a court of competent jurisdiction of the county in which the principal office of the recipient is located, for such purposes as the court shall determine, or to such organizations as the court shall determine are organized exclusively for public purposes;

(5) the recipient agrees to hold the Government harmless for any claims arising from exposure to asbestos after conveyance of the vessel, except for claims arising from use by the Government under paragraph (3) or (4); and

(6) the recipient has available, for use to restore the vessel, in the form of cash, liquid assets, or a written loan commitment, financial resources of at least $100,000.

(b) DELIVERY OF VESSEL.—If a conveyance is made under this Act, the Secretary shall deliver the vessel at the place where the vessel is located on the date of enactment of this Act, in its present condition, without cost to the Government.

(c) OTHER UNNEEDED EQUIPMENT.—The Secretary may also convey any unneeded equipment from other vessels in the National Defense Reserve Fleet in order to restore the USS SPHINX (ARL–24) to museum quality.

(d) RETENTION OF VESSEL IN NDRF.—The Secretary shall retain in the National Defense Reserve Fleet the vessel authorized to be conveyed under subsection (a), until the earlier of—

(1) 2 years after the date of the enactment of this Act; or

(2) the date of conveyance of the vessel under subsection (a).

SEC. 3503. FINANCIAL ASSISTANCE TO STATES FOR PREPARATION OF TRANSFERRED OBSOLETE SHIPS FOR USE AS ARTIFICIAL REEFS.

(a) IN GENERAL.—Public Law 92–402 (16 U.S.C. 1220 et seq.) is amended by redesignating section 7 as section 8, and by inserting after section 6 the following:

''SEC. 7. FINANCIAL ASSISTANCE TO STATE TO PREPARE TRANSFERRED SHIP.

''(a) ASSISTANCE AUTHORIZED.—The Secretary, subject to the availability of appropriations, may provide, to any State to which an obsolete ship is transferred under this Act, financial assistance to prepare the ship for use as an artificial reef, including for—

''(1) environmental remediation;

''(2) towing; and

''(3) sinking.

''(b) AMOUNT OF ASSISTANCE.—The Secretary shall determine the amount of assistance under this section with respect to an obsolete ship based on—

''(1) the total amount available for providing assistance under this section;

''(2) the benefit achieved by providing assistance for that ship; and

''(3) the cost effectiveness of disposing of the ship by transfer under this Act and provision of assistance under this section, compared to other disposal options for the vessel.

''(c) TERMS AND CONDITIONS.—The Secretary—

''(1) shall require a State seeking assistance under this section to provide cost data and other information determined by the Secretary to be necessary to justify and document the assistance; and

''(2) may require a State receiving such assistance to comply with terms and conditions necessary to protect the environment and the interests of the United States.''.

(b) CONFORMING AMENDMENT.—Section 4(4) of such Act (16 U.S.C. 1220a(4)) is amended by inserting ''(except for any financial assistance provided under section 7)'' after ''at no cost to the Government''.

SEC. 3504. INDEPENDENT ANALYSIS OF TITLE XI INSURANCE GUARANTEE APPLICATIONS.

Section 1104A of the Merchant Marine Act, 1936 (46 App. U.S.C. 1274) is amended—

(1) by adding at the end of subsection (d) the following:

''(4) The Secretary may obtain independent analysis of an application for a guarantee or commitment to guarantee under this title.''; and

(2) in subsection (f) by inserting ''(including for obtaining independent analysis under subsection (d)(4))'' after ''applications for a guarantee''.

Mr. STUMP (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment and the proposed House amendment thereto be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. SWEENEY). Is there objection to the request of the gentleman from Arizona?

Mr. SKELTON. Mr. Speaker, reserving the right to object, I yield to the gentleman from Arizona (Mr. STUMP) for the purpose of explaining this request.

Mr. STUMP. Mr. Speaker, I thank the gentleman for yielding.

The motion we are making is required to accomplish a goal of going to conference with the Senate on the defense authorization bill in a manner that reflects the totality of the action taken by the House. The gentleman is aware the House passed one defense authorization bill in early May and we completed another on yesterday, reflecting the $10 billion war contingency cost requested by the President.

These motions would take the two bills passed by the House and join them together as the proper consolidated House position for going to conference with the Senate.

Mr. SKELTON. Mr. Speaker, further reserving the right to object, Mr. Speaker, I yield to the gentleman from Ohio (Mr. KUCINICH).

□ 1215

Mr. KUCINICH. Mr. Speaker, I want to thank the gentleman and the members of the committee for their work on this bill and I wish them well in conference.

I want to take what I think it is going to be particularly important for the conferees to focus on the work of the committee in insisting that the language of the committee's work limits the administration to action relating only to September 11, and that, in fact, there is no authorization for any action against Iraq.

It is important for this Congress to have a debate. It is important for this Congress to insist on its prerogatives under Article 1 Section 8 of the Constitution of the United States, and our conference committee has an opportunity to protect that prerogative.

I am hopeful that the administration will recognize the importance of having a debate over Iraq on the floor of this House.

Mr. Speaker, I want to thank the gentleman for yielding me time, and I want to thank the gentleman and the chair for the fine work they have done on this bill.

Mr. SKELTON. Mr. Speaker, further reserving my right to object, I yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished ranking member, and I too would like to rise and thank the gentleman from Arizona (Mr. STUMP) and the gentleman from Missouri (Mr. SKELTON) for the fair way in which they have handled one of the most important responsibilities of this Nation, and that is defending this Nation.

I too want to offer additional comments about the young men and women, the military personnel that are serving in Guantanamo Bay. I had the opportunity to visit with the gentleman from Ohio (Mr. HOBSON) to see the condition of the individuals that are held in incarceration after the September 11 terroristic act. There is a great improvement in their living conditions, which I believe are humane. And I hope as we move through this process, working with the gentleman from Ohio (Mr. HOBSON), I know that we will work as well for the military personnel's conditions.

I know that it will be resolved, but I wanted to share that with the committee. But as I share that with the committee, let me also suggest that I want to make sure the language sticks to the September 11 conditions that we are having the opportunity to have congressional oversight as it relates to entering into Iraq. None of our Arab allies support the idea of precipitously attacking Iraq.

I believe it is this Congress's responsibility to have oversight when we make determinations of war. Going into Iraq would be an act of war. I think the American people deserve and are owed a full discussion and debate of such a command by this Congress.

Mr. Speaker, I thank the gentleman for this fine legislation. I hope we can narrow it or keep it focussed on the fight against terrorism which I stand side by side with the leadership of this committee and this House in fighting terrorism against America, but stand absolutely opposed to an attack against Iraq without the full debate of this Congress.

Mr. SKELTON. Mr. Speaker, I thank the gentlewoman from Texas (Ms. JACKSON-LEE) and the gentleman from Ohio (Mr. KUCINICH) for their remarks.

Mr. SKELTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. BASS). Is there objection to the request of the gentleman from Arizona?

There was no objection.

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

There was no objection.

APPOINTMENT OF CONFEREES

Mr. STUMP. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate amendment to H.R. 4546 and request a conference with the Senate thereon.

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

There was no objection.

MOTION TO INSTRUCT CONFEREES

Mr. TAYLOR of Mississippi. Mr. Speaker, I offer a motion to instruct conferees on this motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. TAYLOR of Mississippi moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the Senate amendment to the bill H.R. 4546 be instructed to insist upon the provisions of section 1551 of the House amendment (relating to the establishment of at least one Weapons of Mass Destruction Civil Support Team in each State).

The SPEAKER pro tempore. Under rule XX the gentleman from Mississippi (Mr. TAYLOR) and the gentleman from Arizona (Mr. STUMP) each will control 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. TAYLOR).

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

Mr. Speaker, we as a Nation have learned a heck of a lot in the months after September. As a member of the Committee on Armed Services, one of the things we have been told for years and that we were asked not to talk about was the very large number of nations that possess weapons of mass destruction. Now it has been published in so many magazines that it is hardly a secret anymore, but I think the people of America are well aware that almost 30 nations have some form of weapons of mass destruction, be it chemical, biological or nuclear.

They are also aware because of published reports that many of the nations that possess these weapons are not in very good control of these weapons. So it is now just considered a matter of time until a terrorist group gets their hands on a chemical weapon, a biological weapon or a nuclear weapon.

Mr. Speaker, I think it is fair to say that as a nation, we are unprepared for

that eventuality. One of things this committee has done very wisely in years past is to fund 30 years through the National Guard, 22-member teams that would be in a position to train local first responders; and then with the proper equipment and with the proper training, be in a position to respond to such an attack.

Mr. Speaker, we have offered an amendment in the committee with the help of our chairman that was adopted, I believe, by unanimous votes of the committee to put one of these teams in every State, to come up with the necessary funds, approximately $190 million, so that there is a weapons of mass destruction civil support team in every State.

I see this very much like I see my local fire department. I go out of my way to see to it that there will never be a fire in my house, but the fact of the matter is there well could be and it could be right now. And since it could be, I want my local fire department to have the training and the equipment to respond to that to minimize the damages and the loss of human life. I see a weapons of mass destruction team in every State as just like that. I pray to God that it never happens, but I have to presume it will happen. And when it does happen, I want every State in the Union to have a core of competency within several hours of these people to respond.

Should it be a biological attack with a crop duster over a football stadium, or a chemical attack in a subway of a huge city, or someone stealing the mosquito control truck and driving down the streets in the middle of the night.

Each State has to have the availability to detect whether or not this actually occurred, detect what happened, have the equipment so the first responders do not themselves die from exposure when they go to see what happened; and then be in a position to instruct the local governors, instruct the local guard, instruct the local responders what to do to minimize the damage and the loss of human life.

Again, I want to thank our chairman and we are all going to miss the gentleman from Arizona (Mr. STUMP) a great deal for his cooperation on this, and it could not have passed without his cooperation. I want to thank my colleagues, the gentleman from Connecticut (Mr. MALONEY), the gentleman from North Carolina (Mr. JONES), and the gentleman from New Jersey (Mr. SAXTON) and all the people who contributed to co-sponsoring this amendment. It was a team effort to make it happen, and it will take a team effort between our National Guard, our policemen and our firemen, our governors, our State police to see to it that at least we have an ability to respond to that attack when it happens.

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

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

Mr. Speaker, I support the motion of the gentleman in that it endorses a position taken by the Committee on Armed Services on this matter just a few short days ago. It is also consistent with the provision that passed this House earlier this May.

We had a good debate in considering the provision and it is clear that the proponent made a compelling case in the number of States that presently face deficiencies in receiving proper coverage from existing weapons of mass destruction civil support teams. Whether that means that this precise formulation in this provision is the right solution remains to be seen. But it is clear that the conference must address this issue and bring it back to the House; a formulation that improves the abilities of the State presently without such a team to receive such assistance in the event of a weapons of mass destruction event.

I appreciate my colleague bringing this important matter forward and look forward to working with them in a conference to arrive at the best possible solution.

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

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again I want to thank a great American, a great patriot, someone who served this country well in World War II and still serves this country well in the year 2002, the gentleman from Arizona (Mr. STUMP) for his help on this and for everything he has done.

Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri (Mr. SKELTON), the ranking Democrat on the Committee on Armed Services, the father of two young people in uniform serving their country.

Mr. SKELTON. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, let me take this opportunity to complement the gentleman from Mississippi (Mr. TAYLOR) on this effort and his colleague from Connecticut (Mr. MALONEY) who have worked hard and were successful in offering the amendment that was adopted unanimously in the Committee on Armed Services.

I think this is very important. Although Missouri has a civil support team, and I am so very proud of the Missouri National Guard and the work they are doing, I think it is important that all States have the same type of response and protection. The measure that is represented in this motion by the gentleman from Mississippi is one that was adopted. It was on a bipartisan effort and it is particularly important that we shift our national attention to the task of defending our Nation against terrorism.

This is an excellent motion and I thank the gentleman for allowing me to be part of this today, to endorse the important motion to instruct, and with the hopes that the efforts of the gentleman from Mississippi (Mr. TAYLOR) and the gentleman from Connecticut (Mr. MALONEY) will be elected positively by this Chamber and we thank also the chairman, the gentleman from Arizona (Mr. STUMP) for his cooperation and support in this regard.

Mr. STUMP. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania (Mr. WELDON).

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my colleague for yielding me time.

I rise and will not oppose this motion to instruct as I did not in the committees, but I rise to basically let our colleagues understand what is at play here.

Please do not feel assured because Members vote for this motion to instruct. It is not going to do what you are being led to think it will do. Now, I say that because I would not be in this body were it not for the first responders of this country.

I grew up in a fire service family, became chief of my own department, went back and got a degree in fire protection and ran training programs for fire companies. In my home town, where I eventually became mayor and was the fire chief, had two of the largest refineries on the east coast and also had chemical plants and had the largest fire in America in 1975.

I have traveled across the country as the founder and chairman of the Fire Caucus. I have been to the gentleman's State three times. I have been in all 50 States on every disaster and spoken to all major national fire groups. There is no fire department in America that gets its training from the National Guard. National Guardsmen, by their nature, are part-time soldiers. They are there to respond when requested.

Do my colleagues know what the time is for a RAID team to be called to active duty in a disaster? Is it 10 minutes? Is it 1 hour? Twelve hours. You will not have a RAID team on a scene until twelve hours.

Now, the Marine Corps Seabird team which was specifically stood up by the Congress for chemical, biological and nuclear incidents, has a mandate to be on the scene in four hours. We only have one of those, and they are specially trained full-time people. Please do not think that the National Guard is going to be your first responder. It will never be your first responder.

Now, do we need to have the fire service trained by a group of National Guardsmen? No way. In the last 100 years every fire at an oil refinery, at a chemical plant, we do not call the National Guard in. The local fire and emergency responders are there. They understand what it takes to deal with weapons of mass destruction. I do not know one soldier that has ever been in a real life chemical incident. I do not know of any. But I can tell you there are hundreds of fire companies that respond to chemical fires every day in this country.

How do we expect the National Guard to train the fire fighters when they have been doing this for 100 years?

Mr. Speaker, I talk to all the fire service groups. There are 32,000 departments in the country. They are America's first responder. When an incident occurs, whether it is a chemical, biological or nuclear incident, the first responder on the scene will be a fire truck, a paramedic, a local police car or it will be some other type of emergency response. It will not be a National Guard team. They need to have the equipment and the preparation to deal with that incident in the first hour. This amendment does not do that.

This amendment does not give them equipment. There is no fire department in America asking for a State RAID team. None. Or a civil response team. None. There is no national fire organization, not the IAFF, not the National Volunteer Council, not the NFPA, not the Arson Investigators, not the Fire Instructors, the seven major groups, none of them are asking for this.

□ 1230

I am not saying it does not serve a purpose. Having a State National Guard civil response team can help. It can provide resources, it can provide access to Federal assets, but it is not going to be the end-all, cure-all; and if we think that, then we are only lying to ourselves, and more importantly, we are frustrating the first responders across the country.

So I say to my colleagues when they vote for this measure, which I will vote for, understand that we are not solving the problem of local emergency responders. What they are asking for is more equipment. They know how to deal with chemical plant fires. They go in there every day. A National Guardsman who is a part-time person or even full-time does not fight chemical plant fires, does not know what it is like to go into an environment involving petro chemical situations. Firefighters do.

Our focus in this country in the debate on homeland security needs to be reinforced by the domestic defender of this country, the first responder, and that is not the National Guard. It is the 1 million men and women in 32,000 organizations who every day respond to our disasters. The National Guard can back them up and support them. That is an important role, and I supported that role; but these teams are not going to be able to instantly respond to a terrorist incident. Twelve hours minimum for them to get activated.

The first responder is the group that our focus should be on when we get to conference, just like this Congress allocated $100 million and then $400 million for the first responder; that is where the focus should be.

So I say to my colleagues I will support this resolution. I applaud my colleague for his leadership. He is a great American and a great member of the committee; but I want my colleagues to understand, please do not think that this amendment and this motion to instruct is going to solve the problem of homeland security. Go talk to the local fire companies when we are done with this vote, go call them on the vote and say is it really a priority in southern Mississippi that they want a civil response team, and they will say what in the heck is a civil response team. I cannot even have a fire truck response because they do not have enough money; we do not have enough volunteers. That is where their focus needs to be, and they are the kind of things we should be doing to support them.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my colleague and former firefighter from Pennsylvania makes an excellent point. There are 32,000 fire departments in this Nation. Do my colleagues not think we ought to have at least one of them in every State that has got the capability to respond to a nuclear or biological or chemical attack? I have no clear conscience that we have even one in the State of Mississippi.

Again, it is sort of the difference between the Pennsylvanias of the world and the Mississippis of the world. Over half the cities in Mississippi are 10,000 people or less. They are by design low-tax and, therefore, low-service. There is an incredible turnover, I am sorry to say, because they do not pay as well as they should. So we do need a core competency in every State. No one is going to say that this makes the world safer from a chem biological attack.

I can tell my colleagues right now, if a crop duster were to fly over a football field at Old Miss or Mississippi State and release a substance, I really do not think there is anyone in the State of Mississippi right now who can run the test to determine whether or not it was just diesel fuel, whether it was water, or whether it was a chemical or biological agent. There is no one that I know of that can show up in the protective gear to take those tests that I know I will not be endangering their lives just to ask them to go take the test.

These are core competencies that every State needs, not just the 30 States that presently have them.

Mr. Chairman, I am honored again that so many people from both sides of the aisle have chosen to sign on to this and help us with it. One of those people is helping even though his State already has a weapons of mass destruction civil support team; that has been a big help on this. It is the gentleman from Texas (Mr. ORTIZ).

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ORTIZ).

Mr. ORTIZ. Mr. Speaker, I thank my good friend for yielding me the time.

The gentleman from Pennsylvania (Mr. WELDON) made a great point when he said that the response team would take about 12 hours to respond. Can my colleagues imagine how long it will take in Texas? Texas is a big, big State. Those of us who reside close to a military base, we have peace of mind that the people who reside around that military base, they know that they can respond when needed.

But if my colleagues take my State, where we have four military bases, south of Corpus Christi, Texas, we have 7 million people. We do not have a military base. What we do have is a border between the United States and Mexico where it is supposed to be the front door to trade. We have thousands of vehicles that cross the border. We have a deep water sea port, people that go back and forth. However, we do not have a military base of active military duty people that can respond to an emergency like this.

Texas has one in the great city of Austin, Texas; but for my district way down south, it is 950 miles to El Paso. It is 850 miles to Amarillo. We just happen to have a big State, and I am encouraging that we provide another team in south Texas, and I think that this motion to instruct makes a lot of sense. I think that this will give people in every State peace of mind that we have people who are prepared and ready to respond to any type of emergency.

Mr. STUMP. Mr. Speaker, I yield 8 minutes to the gentleman from California (Mr. HUNTER).

Mr. HUNTER. Mr. Speaker, I thank the gentleman for yielding the time, and I would like to yield to my good colleague from Pennsylvania to make another remark about this issue.

Mr. WELDON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HUNTER. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank my colleague for yielding to me.

I just want to clarify the point that somehow we do not care about the small rural towns in America. I was the fire chief of a town of 5,000 people, then the mayor, all volunteer, no pay; and in the gentleman's State of Mississippi, the bulk of his firefighters are volunteer, not paid anything. Eighty-five percent of the 32,000 departments in America are volunteer.

The fact is they have been trained. We trained 125 of the largest cities, and we now have an active program to train as many departments as possible.

In 1975, I had a chemical-carrying tanker make a U-turn at the Delaware River and ram an oil tanker at the dock in my town of 5,000 people. It burned out of control for 3 days and killed 29 people. It was the largest fire in America that year. The entire incident was handled with volunteers. It was not handled by the National Guard. That was a chemical incident.

My colleague might call it not a weapon of mass destruction. Well, when we have a chemical-carrying tanker filled with vinyl acetate and polymers and it explodes with an oil

tanker, that is a chemical incident. It may not be a terrorist incident, but we handled it.

The point that I am trying to make is we should not be looking to the military to do what has been done every day by our fire service. They are the first responders. Give them the equipment. So that in Texas, where my good friend, the gentleman from Texas (Mr. ORTIZ), is, we do not just have one team, we have teams all over the State who are properly prepared and equipped.

Every department needs to have a capability. That is what they are asking for. They are asking for the tools and the resources in all 32,000 departments. That is what we should be advocating, not some artificial response, one in a State that can come in 12 hours later. We need to have this capability in every department, and this is why the program that we have established for grants with bipartisan support is the right way to go.

Mr. HUNTER. Mr. Speaker, reclaiming my time, I thank my colleague for his remarks; and, Mr. Speaker, I would just like to talk briefly about the bills that we are sending to conference here because I think there has been a little confusion because of the time deadlines and the exigency and having to move these bills, particularly this second piece of the defense bill, which is kind of unprecedented, this second $10 billion segment and adding that to the $383 billion base bill.

I just want to say at this time, this has been an exercise in which we have had to move expeditiously; but the gentleman from Arizona (Mr. STUMP), our chairman, and the gentleman from Missouri (Mr. SKELTON), our ranking member, have really worked together and brought out the best in terms of our bipartisan concern and our bipartisan caring about how we shape the U.S. military.

We have got some major challenges right now. We have to try to modernize, and we are way behind the modernization curve. We are probably $30 billion per year short in terms of replacing all the tanks, trucks, ships, and planes that have to be replaced so our guys are driving equipment that is halfway modern.

At the same time, we have got to keep the wheels turning in this war against terror, and we have a major operation going in Afghanistan that is costing us a couple of billion dollars a month. Beyond that, we have got our air operations in the Iraq theater and in other parts of the world that are taking a lot of operational dollars.

In this last piece, this $10 billion piece that we moved that is going into conference today, we have got a lot of things that we have to have for the next couple of months in this next fiscal year. We have got things like military pays, combat-related pays going to the war fighters and to their families. That is an important piece of this. We also have intelligence money because we are going to need some new intelligence assets, as this is going to be a fairly large burden now for us to carry, but we have to have it because we are now entering the phase in this war against terror where the people who wanted to come to the war, basically come to the sound of the American guns and meet us on the battlefield, are no longer with us; and the people who remain now and the al Qaeda and the other organizations that support them now have to basically be hunted down.

That is very difficult. It requires a large and effective intelligence capability, and this is why we are having to build a significant amount of the budget into that area.

We also have operational requirements. We have got all the spare parts, and if my colleagues were over there recently, and I had the good fortune to be there with a CODEL a week or so ago, and if my colleagues were over there watching the operators in the theater with C–17s, the C–130s, all of the carrier aircraft and the supporting aircraft, we have got a lot of steel we have to keep in the air and spare parts is critical, and a lot of this money goes to the spare parts sector in the first couple of months of the next fiscal year.

So I think we have got a good package, and I hope everybody would vote to move this to conference quickly.

I just wanted to finish up by saying that our folks, staff folks and our leadership, the gentleman from Arizona (Mr. STUMP) and the gentleman from Missouri (Mr. SKELTON), have really put, as well as all the members of the committee have, put a lot of hard work in trying to get these disjointed pieces that now are kind of mismatched with the Senate's pieces of the defense bill into play and into conference; and it is going to be a difficult process to make this thing work. I think we are going to be able to get it because we have got a lot of great people working it.

I thank the gentleman from Arizona (Mr. STUMP) for his work and the gentleman from Missouri (Mr. SKELTON) for his, and I hope the House moves expeditiously to take us to conference.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield myself such time as I may consume.

There is something I do think needs to be addressed, and the folks who work with me have been good enough to point this out, and I think the public needs to know this. The original time of 12 hours that my friend from Pennsylvania makes reference to was when there were only 10 of these teams to cover the entire continental United States. We are now in the process of going to 30 teams which shortens the distance from the responders to those that need to be helped.

What this will do is get us up to 54 teams, which the goal is to have a team within 4 hours; and again, without getting into a spitting contest, the fact of the matter is that the vast majority of the States that were left out are rural States, low-tax States, where we do not have the money to equip 32,000 teams or at least trying to get one in each of these States; but I would also point out that some of those States are very large States, including Connecticut, which has almost 6 million people, and the gentleman from Connecticut (Mr. MALONEY) will be speaking to that in a minute.

Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. BONIOR) to speak out of order.

(Mr. BONIOR asked and was given permission to speak out of order.)

MICHIGAN OFFICE VANDALIZED

Mr. BONIOR. Mr. Speaker, last night my office in Michigan was vandalized under the cover of darkness with despicable words of hatred. My family and I and my staff are saddened and angered by this deplorable act, but we will not let it defeat us or deter us from fighting for what we believe in.

Hate crimes are cowardly acts that cannot and will not be tolerated under any circumstances. They hurt us not just as individuals but as a community. People in every city, county, village in Michigan deplore these acts in the strongest possible way.

We must confront acts of hatred and refuse to let them intimidate us. We have to reach out to each other when these attacks occur and not let hate crimes fuel more hatred in ourselves.

□ 1245

My family and I are, and always have been, committed to ending these acts of violence. Whether there is an attack on Jewish Americans, Arab Americans, African Americans, Hispanic Americans, Sikhs, or Muslims, the message must be very clear, an attack upon one is an attack upon all. Hatred has no place, no place, in our country.

Mr. TAYLOR of Mississippi. Mr. Speaker, how much time do I have remaining?

The SPEAKER pro tempore (Mr. BASS). The gentleman from Mississippi (Mr. TAYLOR) has 17½ minutes remaining, and the gentleman from Arizona (Mr. STUMP) has 18 minutes remaining.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield myself such time as I may consume.

A lot of people are making this happen, and again this could not happen without the great cooperation of the gentleman from Arizona, so I want to thank him again.

The gentleman from North Carolina (Mr. JONES) and the 8 million people in that State will benefit from this. The gentleman from New Jersey (Mr. SAXTON) and the 8 million people from New Jersey will benefit from this. And, Mr. Speaker, I want to correct myself. The gentleman from Connecticut (Mr. MALONEY) and the 3½ million people from Connecticut will benefit from this.

Mr. Speaker, I yield such time as he may consume to the gentleman from Connecticut (Mr. MALONEY).

Mr. MALONEY of Connecticut. Mr. Speaker, I thank the gentleman from Mississippi for yielding me this time, and I rise in support of this motion.

The first comment I want to make is that it is absolutely correct that what we are doing here today will not solve all the problems. It will not solve all the problems in regard to emergency response and it will not solve all the problems in regard to the war on terrorism. It is not intended to. What it is intended to do is to solve a part of the problem.

We are doing many, many other things, both in terms of the Defense Department, the individual services, the reorganization of our national government in regard to homeland defense, making resources available to local fire departments, and making resources available to local police departments. We are doing many, many things. The goal here today is to do one other very, very important thing, which is to make sure that each State in this country has a civil support team in regard to weapons of mass destruction.

This year's defense bill supports legislation which I introduced, H.R. 3154, that currently has nearly 50 cosponsors. That legislation requires the Secretary of Defense to establish at least one weapons of mass destruction civil support team in each State and territory. The defense authorization bill that we did earlier this year includes sense of Congress language which establishes that as national policy for our country, one weapons of mass destruction civil support team in each State and in each territory.

The bill before us today provides the funding that is necessary to make that a reality for each of our States and each of our territories. Each CST is a federally funded asset under State control. To date, Congress has authorized 32 teams. I believe that each State and territory should have a team capable of responding to the threat of a weapon of mass destruction in their State as a matter of priority, as a matter of our doing one of the many things we are doing to improve the security of this country.

In the terrorist attack on the World Trade Center, New York, which has a team, their highly trained civil support team swung into action as part of the first response to the attack. The special unit of 22 full-time National Guard members, they are National Guard members but they are full-time on call within 4 hours, have two major pieces of equipment, a mobile analytical lab, and a mobile communications facility. The first allowed the team to identify any chemical or biological agents at the World Trade Center. Fortunately, that was not the case. The second allowed the team to coordinate communication among the first responders.

My colleagues, the gentleman from Pennsylvania (Mr. WELDON) is correct that the fire department is going to be there first, the police department is going to be there first, the EMS is going to be there first, but the civil support team is going to be there within, we hope, 4 hours, as the goal, not the 12 but 4 hours, and will be providing that analytical capability and will be providing that communications capability. In the case of New York, they did exactly that, assisting with coordination of communications with the first responders, the incident commander, and the Department of Defense.

As we are all too well aware, the war on terrorism is not being just waged in Afghanistan but also here at home. Since September 11, the civil support teams that exist already have responded to more than 200 requests for support from civil authorities for actual or potential weapons of mass destruction incidents, including the anthrax attacks. Support teams have also supported national events, including the 2001 World Series, the 2002 Super Bowl, and the 2002 Winter Olympics.

The anthrax attacks and the more recent threat of a radiological dirty bomb clearly highlight the increased need for National Guard counterterrorism capabilities to be stationed across our country. It is important, as the gentleman from Mississippi has said, that each State have its own team, not just in time of crisis but also during training. It is in that training with the local first responders that the National Guard teams develop the effective coordination they need in emergency situations.

It has been said here earlier today that that training has not previously existed. That is correct, and that is the point. We need to make sure that that training is available, that that training occurs, that that coordination between the local first responders and the State first responders is done in line with the National Guard, the civil support teams, which gives us access to the national assets.

Some argue that the issue is simply a matter of geographic coverage. The New York team, for example, is located just outside of Albany. That is 2, 3, maybe 4 hours from most places in the State of Connecticut. Maybe that should suffice. The reason it does not suffice is for two reasons:

One, it does not provide that integrated training with the local and State officials. The National Guard civil support team in New York, guess what, they train with the State of New York emergency responders, not the State of Connecticut emergency responders. We need to make sure that our State and every other State has that integrated training that exists.

Secondly, in terms of response time, what happens when, as in the case of New York, that team was called upon? Then where is Connecticut? We were lucky that there were only three attacks. There was New York, Washington, and the air over Pennsylvania, but there could have been five attacks. There could have been an attack in Boston at the same time there was an attack in New York. Where would Connecticut have been? New York's team had already deployed.

We supposedly have backup by a team outside of Boston. What if Boston had been attacked? And, indeed, the Boston team cannot get effectively to Connecticut in the 4 hours. Stamford, Connecticut, is a long way from the Greater Boston area. Waterbury or Danbury, Connecticut, is a long time from the Greater Boston area. So we need to make sure that Connecticut in fact has its own team, as should every other State and territory that has the potential for these kinds of attacks. And I do not stand here alone in making that argument. The Secretary of the Army in the February issue of the National Guard Association magazine said, ''Yes, I do. I think the weapons of mass destruction civil support teams are a tremendous initiative. Right now the Congress has funded 32. And I would be surprised if we did not end up with at least one in each State and territory. So I would see us going beyond the 32 teams in the future, and I think we will have a lot of congressional support for that because it is a tremendous capability,'' said the Secretary of the Army.

The September 2001 GAO report entitled Combating Terrorism makes a similar point which is this is not the only thing we should be doing, but this is one of the things we should be doing. ''The Department of Defense plans, and officials suggested, that there eventually should be a team in each State, territory, and the District of Columbia, for a total of 54 teams.''

Let us do everything we can to secure our country. Let us make sure that our first responders locally have the resources they need. Let us make sure that our armed services have every resource they need. Let us make sure that our men and women in the armed services have the pay that they need, as we have done over the past several years under the leadership of the gentleman from Missouri (Mr. SKELTON), ranking member, and the gentleman from Arizona (Mr. STUMP), chairman, and other members of the committee. We have made great progress. Let us do all these good things. But as we do all these good things, let us make sure we do something else that is very important, which is make sure that each of our States and territories has a civil support team to train and be prepared and be ready and be available should the emergency arise.

Mr. TAYLOR of Mississippi. Mr. Speaker, I yield myself such time as I may consume.

In closing, I do want to thank all the members of the Committee on Armed Services. Again, this passed our committee unanimously. I want to particularly commend the gentleman from North Carolina (Mr. JONES); the gentleman from New Jersey (Mr. SAXTON); the gentleman from Arizona (Mr.

STUMP), our good chairman; the gentleman from Connecticut (Mr. MALONEY); and the gentleman from Missouri (Mr. SKELTON), our ranking member, for helping to line up those people to cooperate on this.

Mr. Speaker, it is a sad fact, but a fact, that in the past year a biological attack on the United States has gone from ''what if'' to ''what is next.'' The person who perpetrated the anthrax attacks that have killed about five people in our country has not been apprehended. The question is, was that a one-time event or was it a practice run for something bigger? I hope it was a one-time event, but in the event that that person or those persons who did that were planning something bigger, I think it is imperative that we have some group in each State that is prepared to respond to that attack. I would ask my colleagues to support this unanimously.

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

Mr. STUMP. Mr. Speaker, I yield myself such time as I may consume. I take this opportunity to thank the gentleman from Missouri (Mr. SKELTON) for all the hard work that he has put into this project, and also the gentleman from Mississippi (Mr. TAYLOR).

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

The SPEAKER pro tempore (Mr. BASS). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Mississippi (Mr. TAYLOR).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. TAYLOR of Mississippi. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 419, nays 2, not voting 12, as follows:

[Roll No. 349]

YEAS—419

Abercrombie
Ackerman
Aderholt
Akin
Allen
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Osborne
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—2

Coble
Royce

NOT VOTING—12

Andrews
Davis (FL)
John
Kennedy (MN)
Knollenberg
Meehan
Ortiz
Ose
Quinn
Stearns
Wexler
Young (AK)

□ 1316

Mr. ROYCE changed his vote from ''yea'' to ''nay.''

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. OSE. Mr. Speaker, on rollcall vote No. 349, I was unavoidably detained. Had I been present, I would have voted ''yea.''

Mr. JOHN. Mr. Speaker, on rollcall vote No. 349 I was unavoidably detained. Had I been present, I would have voted ''yea.''

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the Chair appoints the following conferees:

From the Committee on Armed Services, for consideration of the House amendment and the Senate amendment, and modifications committed to conference: Messrs. STUMP, HUNTER, HANSEN, WELDON of Pennsylvania, HEFLEY, SAXTON, MCHUGH, EVERETT, BARTLETT of Maryland, MCKEON, WATTS of Oklahoma, THORNBERRY, HOSTETTLER, CHAMBLISS, JONES of North Carolina, HILLEARY, GRAHAM, SKELTON, SPRATT, ORTIZ, EVANS, TAYLOR of Mississippi, ABERCROMBIE, MEEHAN, UNDERWOOD, ALLEN, SNYDER, REYES, TURNER, and Mrs. TAUSCHER.

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X: Mr. GOSS, Mr. BEREUTER, and Ms. PELOSI.

From the Committee on Education and the Workforce, for consideration of sections 341–343, and 366 of the House amendment, and sections 331–333, 542, 656, 1064, and 1107 of the Senate amendment, and modifications committed to conference: Messrs. ISAKSON, WILSON of South Carolina, and GEORGE MILLER of California.

From the Committee on Energy and Commerce, for consideration of sections 601 and 3201 of the House amendment, and sections 311, 312, 601, 3135, 3155, 3171–3173, and 3201 of the House amendment, and modifications committed to conference: Messrs. TAUZIN, BARTON of Texas, and DINGELL.

From the Committee on Government Reform, for consideration of sections

323, 804, 805, 1003, 1004, 1101–1106, 2811, and 2813 of the House amendment, and sections 241, 654, 817, 907, 1007–1009, 1061, 1101–1106, 2811, and 3173 of the Senate amendment, and modifications committed to conference: Messrs. BURTON of Indiana, WELDON of Florida, and WAXMAN.

From the Committee on International Relations, for consideration of sections 1201, 1202, 1204, title XIII, and section 3142 of the House amendment, and subtitle A of title XII, sections 1212–1216, 3136, 3151, and 3156–3161 of the Senate amendment, and modifications committed to conference: Messrs. HYDE, GILMAN, and LANTOS.

From the Committee on the Judiciary, for consideration of sections 811 and 1033 of the House amendment, and sections 1067 and 1070 of the Senate amendment, and modifications committed to conference: Messrs. SENSENBRENNER, SMITH of Texas, and CONYERS.

From the Committee on Resources, for consideration of sections 311, 312, 601, title XIV, sections 2821, 2832, 2841, and 2863 of the House amendment, and sections 601, 2821, 2823, 2828, and 2841 of the Senate amendment, and modifications committed to conference: Messrs. DUNCAN, GIBBONS, and RAHALL.

From the Committee on Science, for consideration of sections 244, 246, 1216, 3155, and 3163 of the Senate amendment, and modifications committed to conference: Messrs. BOEHLERT, SMITH of Michigan, and HALL of Texas.

From the Committee on Transportation and Infrastructure, for consideration of section 601 of the House amendment, and sections 601 and 1063 of the Senate amendment, and modifications committed to conference: Mr. YOUNG of Alaska, Mr. LOBIONDO, and Ms. BROWN of Florida.

From the Committee on Veterans' Affairs, for consideration of sections 641, 651, 721, 723, 724, 726, 727, and 728 of the House amendment, and sections 541 and 641 of the Senate amendment, and modifications committed to conference: Messrs. SMITH of New Jersey, BILIRAKIS, JEFF MILLER of Florida, FILNER, and Ms. CARSON of Indiana.

There was no objection.

MOTION TO CLOSE CONFERENCE COMMITTEE MEETINGS ON H.R. 4546, BOB STUMP NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003, WHEN CLASSIFIED NATIONAL SECURITY INFORMATION IS UNDER CONSIDERATION

Mr. STUMP. Mr. Speaker, pursuant to clause 12 of rule XXII, I move that meetings of the conference between the House and the Senate on H.R. 4546 may be closed to the public at such times as classified national security information may be broached, providing that any sitting Member of Congress shall be entitled to attend any meeting of the conference.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. STUMP).

Pursuant to clause 12 of rule XXII, the vote must be taken by the yeas and nays.

Pursuant to clause 8 of rule XX, the Chair announces that this vote will be followed by a 5-minute vote on a motion to suspend the rules on H.R. 4946 on which further proceedings were postponed.

The vote was taken by electronic device, and there were—yeas 420, nays 3, not voting 10, as follows:

[Roll No. 350]

AYES—420

Abercrombie
Ackerman
Aderholt
Akin
Allen
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Becerra
Bentsen
Bereuter
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop
Blagojevich
Blunt
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
Delahunt
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Radanovich
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Souder
Spratt
Stark
Stenholm
Strickland
Stump
Stupak
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Tierney
Toomey
Towns
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Wamp
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOES—3

Blumenauer
DeFazio
McKinney

NOT VOTING—10

Andrews
Boehlert
Hansen
Herger
Knollenberg
Meehan
Quinn
Stearns
Wexler
Young (AK)

□ 1339

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

IMPROVING ACCESS TO LONG-TERM CARE ACT OF 2002

The SPEAKER pro tempore (Mr. LAHOOD). The unfinished business is the question of suspending the rules and passing the bill, H.R. 4946, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. HAYWORTH) that the House suspend the rules and pass the bill, H.R. 4946, as

amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 362, nays 61, not voting 10, as follows:

[Roll No. 351]

YEAS—362

Ackerman
Aderholt
Akin
Allen
Armey
Baca
Bachus
Baird
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett
Bartlett
Barton
Bass
Bentsen
Bereuter
Berkley
Biggert
Bilirakis
Bishop
Blagojevich
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Brady (PA)
Brady (TX)
Brown (FL)
Brown (SC)
Bryant
Burr
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clyburn
Coble
Collins
Combest
Condit
Cooksey
Costello
Cox
Cramer
Crane
Crenshaw
Crowley
Cubin
Culberson
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
Deal
DeGette
DeLauro
DeLay
DeMint
Diaz-Balart
Dicks
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Flake
Fletcher
Foley
Forbes
Ford
Fossella
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Granger
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Kolbe
LaHood
Lampson
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Luther
Lynch
Maloney (CT)
Maloney (NY)
Manzullo
Mascara
Matheson
McCarthy (NY)
McCrery
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, Jeff
Mink
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pastor
Paul
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Radanovich
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Riley
Rivers
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Royce
Rush
Ryan (WI)
Ryun (KS)
Sawyer
Saxton
Schaffer
Schiff
Schrock
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Souder
Spratt
Strickland
Stump
Sullivan
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tiahrt
Tiberi
Toomey
Towns
Udall (CO)
Udall (NM)
Upton
Visclosky
Vitter
Walden
Walsh
Wamp
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Weiner
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Wu
Wynn
Young (AK)
Young (FL)

NAYS—61

Abercrombie
Baldwin
Becerra
Berman
Berry
Boucher
Boyd
Brown (OH)
Conyers
Coyne
Delahunt
Deutsch
Dingell
Doggett
Eshoo
Filner
Frank
Gephardt
Gonzalez
Hinchey
Honda
Jackson (IL)
Johnson, E. B.
Kennedy (RI)
Kucinich
LaFalce
Langevin
Markey
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
Miller, George
Mollohan
Napolitano
Neal
Olver
Pallone
Pascrell
Payne
Rahall
Rodriguez
Roybal-Allard
Sabo
Sanchez
Sanders
Sandlin
Schakowsky
Scott
Solis
Stark
Stenholm
Stupak
Taylor (MS)
Tierney
Turner
Velazquez
Waters
Waxman
Woolsey

NOT VOTING—10

Andrews
Burton
Clement
DeFazio
Hansen
Knollenberg
Meehan
Nadler
Stearns
Wexler

□ 1348

Messrs. CONYERS, DELAHUNT, SANDLIN, MARKEY, and McGOVERN, and Ms. WOOLSEY changed their vote from ''yea'' to ''nay.''

Mr. SAWYER changed his vote from ''nay'' to ''yea.''

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

The result of the vote was announced as above recorded.

The title of the bill was amended so as to read: ''A bill to amend the Internal Revenue Code of 1986 to provide health care incentives.''.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. ANDREWS. Mr. Speaker, due to family obligation I was unable to cast a vote on the first four votes of July 25, 2002. Had I been present. I would have cast the following votes:

On H.R. 3763, The Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002, I would have voted ''yes''.

On the motion to instruct conferees to H.R. 4546, I would have voted ''yes''.

On motion to close portions of the conference to H.R. 4546, I would have voted ''yes.''

On motion to suspend the rules and pass H.R. 4946 as amended, to amend the Internal Revenue Code to provide health care incentives related to long-term care, I would have voted ''yea.''

THE JOURNAL

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to clause 8 of rule XX, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

PROVIDING FOR A SPECIAL MEETING OF THE CONGRESS IN NEW YORK, NEW YORK ON FRIDAY, SEPTEMBER 6, 2002 IN REMEMBRANCE OF SEPTEMBER 11, 2001

Mr. ARMEY. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 448) providing for representation by Congress at a special meeting in New York, New York on Friday, September 6, 2002, in remembrance of the victims and the heroes of September 11, 2001, in recognition of the courage and spirit of the City of New York, and for other purposes, and I ask unanimous consent for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The Speaker pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. RANGEL. Mr. Speaker, reserving the right to object, I will not object, but on behalf of the New York delegation and the people of New York, I would like to thank the leadership of the House of Representatives and that of the other body for supporting this resolution that would allow a joint session of the House and Senate to take place in the City of New York.

Being born and raised in New York, it just surprised me how many things that we take for granted, how many problems that we thought were so horrendous, how many differences we had as black and white and Jews and gentiles and Republicans and Democrats and, yet, on September 11, none of these things seemed important. It really did not make any difference what borough we were from, whether we were from the inner cities or the suburbs; as a matter of fact, whether it was upstate or downstate; we all recognized how privileged and fortunate we are just to be Americans.

This feeling was felt not only throughout my city, but throughout the State. When our delegation came to the floor of this august body and felt the love and affection but, most importantly, the support in recognizing it was not just the lives of the people that were in the Twin Towers, but it

was the lives of Americans that were there. And the heroes were not people that were in planes or ships or on the battlefields, but they were ordinary people that fought and worked every day for a better America.

To think that this Congress would take time out, and especially our majority leader, who was misquoted and, as a result, felt sometimes an emotional response for those who thought that he did not want this to happen, and for a man as big as him in size as well as big as him in spirit, to say that he wanted this to happen, and it was just a question of how it would take place, I think that I personally would want to thank him, as well as the entire leadership, for making us in New York feel that not only are we appreciated, but the President, the national government, the Congress has responded, and we are so thankful that we will be coming to New York as a body in order to show how much we feel for those people who lost their lives for the United States of America.

So I yield to the majority leader for an explanation of the bill, and again thank him personally for the leadership that he provided to make this bipartisan, indeed, this American dream become a historic reality.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from New York for yielding.

It is a particular pleasure for me to now be finally able to bring this resolution to the floor. The resolution, Mr. Speaker, calls on the United States Congress to convene a ceremonial joint meeting in New York City on Friday, September 6, 2002. The joint commemorative meeting will be in remembrance of the thousands of people killed and injured as well as the thousands more grieving friends and families left after the terrorist attacks upon the World Trade Center.

At a later point we will also consider separate resolutions honoring the victims of the attacks upon the Pentagon and those who perished in Flight 93.

The joint meeting will be held at Federal Hall in New York City, a mere five blocks away from the site of the horrific damage left at Ground Zero. The historic location of Federal Hall served as the first meeting place of the United States Congress and where George Washington was sworn in as the first President of the United States. Fittingly, the protections of the Bill of Rights, which were assaulted on September 11, were written within the walls of Federal Hall.

Congress last gathered in a ceremonial session outside the Nation's capital in Philadelphia in 1987 in celebration of the Bicentennial of the United States Constitution. It was a very significant event that called us from these walls then as it is today.

Our show of unity and resolve will continue with this historic meeting in New York. Appropriately, we have chosen the site of the most terrible destruction as the location of the joint session. It is only befitting of the fallen heroes and victims of September 11 that Congress meet to honor their memory.

Mr. Speaker, a second resolution will follow to address matters of housekeeping for the event, but first I would like to touch upon the logistics for the historic date.

The train to New York will leave Union Station in the early morning of September 6 and arrive in New York around 9:30 a.m. The joint session will be held at 11 o'clock a.m., followed by a lunch hosted by Mayor Bloomberg at the Regent Wall Street Hotel. The assembled Members will then travel to Ground Zero to lay a wreath in honor and remembrance to those who perished in the attacks of September 11, 2001. In the midafternoon, a train will leave from Penn Station for Washington. There will be separate transportation available to LaGuardia, JFK, and Newark Airports for Members wishing to return to their districts who may use their MRA for travel. We will also provide earlier transportation for Members wishing to return in time for the Jewish holiday.

The City of New York has advised that it will be paying expenses for the Commemorative Joint Meeting and the related events of September 11, as well as the travel expenses of the participating Members, with the support of the Annenberg Foundation. Normally, Members' acceptance of such an offer would be subjected to the provision of the House gift rule on officially conducted travel paid by a private source and the ''unofficial office accounts'' rule. However, Mr. Speaker, this resolution expressly authorizes acceptance by the Congress of the City's offer and, as a result, acceptance of the travel and related benefits is not subject to the provisions of those House rules, including the requirement of privately funded travel in connection with official duties.

Mr. Speaker, I strongly encourage all Members of the United States House of Representatives to attend this historic Commemorative Joint Meeting of the Congress of the United States in New York City in honor of the dead, the fallen, the heroes, the sacrifice of that great city.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, and before I yield to my dear friend, the gentleman from New York (Mr. GILMAN), I would like to add on to what the majority leader has said in terms of the schedule as relates to the visit to New York for this historic occasion.

The mayor has authorized me to share with the House that soon the Visitors and Tourists Bureau of the City of New York will soon be sending an invitation to those Members that would want to stay over for the weekend after the historic ceremony, and those expenses will be paid, and a list of the activities that would be made available should be received before this week is out. I will be glad, along with the gentleman from New York (Mr. FOSSELLA), to share with the Members what information there is before we leave this week.

Mr. Speaker, I now yield to my friend, the gentleman from upstate New York, (Mr. GILMAN), a friend who is the senior Republican for the New York State delegation, a person that I have enjoyed his friendship and worked with over the years. We have fought against drug trafficking and addiction in this country and all over the world but, more importantly than that, we have shared our personal as well as political experiences together. It has made both of our political lives a lot easier to enjoy the type of friendship that we have.

I can say publicly what I have said privately, that this House is going to miss the gentleman from New York (Mr. GILMAN) tremendously. We thank him so much for the unselfish contributions that the gentleman has made, not only for the people in his congressional district and the great State of New York, but for the people in this country and throughout the world. This may be the last official thing that we may be doing together, but whatever the gentleman decides to do with the rest of his life, I do hope that I will be included in the future as much as we have enjoyed working together presently and in the past.

Mr. Speaker, I yield to the gentleman from New York (Mr. GILMAN).

□ 1400

Mr. GILMAN. Mr. Speaker, I thank the gentleman for his kind words and for the pleasure of working with him on this particular project. I thank our New York colleague (Mr. RANGEL), the chairman of our New York delegation, for yielding to me. And I want to commend the gentleman from New York (Mr. RANGEL) for his steadfast, tireless efforts to make the special New York session a reality. As the dean of Republican Members of New York, I have been pleased to work with the gentleman in introducing and promoting this resolution on behalf of our New York State delegation.

I am particularly grateful to our distinguished majority leader, the gentleman from Texas (Mr. ARMEY) and the House leadership for their kind considerations and agreement to hold this historic session in New York City. And the itinerary that the majority leader has recited, I hope our colleagues will take a good look at that and be ready to join us on September 6.

Mr. Speaker, I am pleased to rise in strong support of this resolution to convene this historic joint session of Congress in New York City on September 6. This meeting is being held in New York City to recognize the spirit, the courage, the unity and cooperation of all those heroes who were involved, those who were deceased, the victims of 9–11, and all the people of New York City who have given of their utmost to dedicate their energies and their desire

to restore New York City to where it was before the barbaric terrorist attacks of last September.

This historic New York City session is going to be held in Federal Hall in downtown Manhattan, which was the site of the very first meeting of the United States Congress and the site of the inauguration of President Washington. It is, therefore, befitting and appropriate that Congress will be returning to the birthplace of this post-constitutional democracy in America as we approach the first anniversary of September 11.

This resolution offers a fitting and a meaningful way for the Congress to demonstrate its support for the people of New York State and, particularly, New York City and its appreciation of their historic efforts to overcome the tragic events of the past year.

Accordingly, I urge my colleagues and invite them to give this proposal their wholehearted support. And the gentleman from New York (Mr. RANGEL) and I look forward to joining with our New York delegation in welcoming Members to New York State to New York City on September 6.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, I thank the gentleman from New York (Mr. GILMAN).

Mr. Speaker, I yield to the gentleman from the City of New York, the County of Richmond, the borough of Staton Island, the 13th Congressional District (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding and on the outset commend him strongly for his leadership in really bringing this to fruition and being a vanguard in this House and Congress to ensure that we have this session. So I thank him and on behalf of the people of the City and State of New York and, indeed, the country. We are appreciative of your efforts, as well as the gentleman from New York (Mr. GILMAN). In particular, let me echo those who thank the leadership, the gentleman from Texas (Mr. ARMEY), and, of course, the gentleman from Illinois (Speaker HASTERT) and those in the other body who really want to do the right thing here.

It is fitting, I think, that what we are talking about is honoring the victims and the heroes, and, in a way, celebrating what they gave to this country, how they sacrificed last year on September 11, whether it be the Pentagon or Flight 93, and, of course, the World Trade Center; and we must never ever forget those sacrifices. We are now a stronger country as a result of what happened on that day.

While we have our differences of opinion here in this body and I guess outside, we belong to different parties, and we have a lot of different views on a lot of different things, but is it not wonderful in this country that we can come together to unify, to stand together in the face of that evil that attacked freedom on September 11? That we, as a Congress, the elected representatives from across this country, can go to New York and stand shoulder to shoulder with all of those New Yorkers who showed the world why we believe we are the capital of the world. We showed the world what a great place this is.

Mr. Speaker, this is a day on September 6 that is going to indicate to the rest of the world that the United States of America did not shudder. We may have been hit hard and a lot of us lost a lot of close friends and a lot of close family members and relatives or just neighbors, good honest people lost their lives for the sake of freedom. So how appropriate that we meet in Federal Hall, Federal Hall that over 200 years ago when we established the Bill of Rights, the freedoms that we should enjoy, when those freedoms were attacked, how appropriate that we go back as a reaffirmation that this country is the greatest institution in the history of the world, and that those victims who lost their lives and the heroes we praise, shall never be forgotten.

And it is not just going to be September 6, it will be 50 years from now, it will be 200 years from now; but this, I believe, is fitting.

So let me thank again the gentleman from New York (Mr. GILMAN), the gentleman from Texas (Mr. ARMEY), the leadership of this House, the New York delegation, Mayor Bloomberg who has been very helpful and the gentleman from New York (Mr. RANGEL) for really leading this effort.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York (Mr. CROWLEY). All Americans felt the pain of the lives that were lost, but the gentleman from New York and the County of Queens has felt it personally.

Mr. CROWLEY. Mr. Speaker, I thank my colleague and dear friend, the gentleman from New York (Mr. RANGEL) for yielding to me at this time. I want to thank the majority leader, the leadership of House, my good friend from Staton Island, New York (Mr. FOSSELLA), my very dear friend and colleague, the gentleman from New York (Mr. GILMAN) for all the work that was put into making sure that this eventually takes place, that this meeting on September 6 becomes a reality.

The attack on the World Trade Center in September of last year was the attack heard around the world. And much the same way that Lexington, Concord and other events around the world and the shots that were fired, left impressions forever in the minds of people, the attack on the World Trade Center last year will never be forgotten.

There is probably not a place on this Earth that people do not know about the horrific events of September 11 of last year. The 3,000 individuals who lost their lives, many of them giving their lives trying to save human life, including my first cousin, John Moran, 42 years old, a battalion chief in the New York City Fire Department, a father of two boys, a musician, an attorney, a historian, a patriot, someone who loved this country so much.

We lost John Moran. We lost thousands of people like him that day. And on September 6, the eyes of the world will be on New York City once again at Federal Hall, appropriately so, one of the places in which this great Nation was founded, that we should meet as a body for a meeting to commemorate the attack upon our great Nation, upon our fair city.

There is no doubt that New York City is still reeling from that attack. We are in pain. We are suffering. We may not wear it on our sleeves. We are not talking about it every day. We appreciate the outpouring of support that we have received from all parts of this country and from all corners of the world. We are deeply, deeply appreciative of the membership of this House and of the other body uniting as a country and coming to the aid and assistance of our great city in our time of great need.

But a great deal more will have to be done before New York City is fully back on its feet. But when you come to New York City on September 6, do not be surprised because we are a resilient city, we are a resilient people, and we are fighting back and we are coming back strong. And we will show you a city that has been reborn since the attack of September 11 in large part because of the work of this body, in large part because of the work of my colleagues, the gentlemen from New York (Mr. RANGEL) and (Mr. NADLER), and all the New York delegation in uniting to see to it that New York City, New York State is not forgotten during these very, very difficult times.

Mr. Speaker, I will be at Federal Hall on the morning of September 6. I hope that each and every Member of this great body find themselves at what I think will be one of the most memorable occasions in the history of the House of Representatives. Help make that an even more memorable occasion by your presence there. I thank you. My constituents will thank you. Over 105 families who have lost loved ones in my constituency will thank you. Our city will thank you. Our State will thank you, and our country will thank you.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, we thank the gentleman from New York (Mr. CROWLEY).

Mr. Speaker, I yield to the gentleman from the great borough, the Bronx, New York (Mr. SERRANO), an outstanding Member of the Congress and a great New Yorker who is always there when we need him, and we need him now, and he has been just one of our strongest supporters.

Mr. SERRANO. Mr. Speaker, first of all, I would like to thank our majority leader and all of our leadership, the

gentleman from New York (Mr. GILMAN), and the gentleman from New York (Mr. RANGEL), for making this happen. As New Yorkers, we are grateful and we shall never forget that they have stood by us.

Mr. Speaker, I do not know how many of the Members remember, and perhaps they did not notice, but I was not here September 11. I was in New York City. I was in New York because after making a difficult decision as to where I should be on that day, I decided that when my oldest son, Jose, Jr., was running for the New York City Council in a primary that, I should be there to try to help him get elected on that day. And, as you know, in New York there are a lot of activities on election day inside the polls.

I was in front of a polling site trying to spread the good Serrano name, and around a certain time we began to see the police come out of the polling sites, we began to see the sirens going down the Bruckner Expressway, and we knew something was going on. We just did not know what. And then it happened. Folks started coming from the buildings, from inside the school in tears, screaming in loud voices, letting us know that the TV report indicated that two planes had hit the World Trade Center and that, in fact, another plane had hit the Pentagon.

At that point there was total shock because as New Yorkers and as Americans, we never believed that this could happen to us.

That same day outside another polling site were two ladies, Consuelo Maldonado and her daughter, Miriam Juarbe, who have been with us in our political struggles for the last 30 years and were there that day. What they did not know is that in downtown New York, Consuelo's grandson and Miriam's son, a New York Fire officer was involved in that tragic incident, that attack on our country. And he, like so many others, had finished his tour, if you will, and decided to stay around and go inside again to get some people out and he never came out. He died on that day.

So you see, when we New Yorkers talk about the tragedy, it is both collectively as a community and it is personal through a relative like the gentleman from New York (Mr. CROWLEY) or some of our associates or a friend. And so we cannot begin to tell everyone how important it is for what this House has done to select September 6 as a day that all Members go to New York to Federal Hall.

Our city is known to be a city of pretty tough people. In fact, let us be honest. We have a reputation at times of not having much feelings about a lot of things. We can turn our back on a lot of things and look like nothing bothers us. But we are hurting as the gentleman said. We do not mention it every day. Maybe we do not wear it on our sleeves, but we are hurting.

□ 1415

The pain started that day when we lost people. The next day when I left New York to come back here, the only way a person could get out of New York was by car, the only way. There was no other mode of transportation; and as we got on the turnpike, and we did what all New Yorkers do which is for the first time look somewhere and realize that we had taken something for granted and we realize those two towers were not standing, we realized that it was much more than two buildings that had gone down and were missing.

I will be there on September 6. I will be there in memory of Angel Juarbe and in memory of all my constituents, in memory of all those who died that day. I will be there in tribute to the fact that we will not give up this fight, and I will be there as a New Yorker both proud of our ability to withstand pain and thankful to this Nation for the fact that it has stood with New York.

A lady, and I will close with this, in Oklahoma did something that people did during World War II in identifying with the Jewish cause. She put on her window in the countryside of Oklahoma, ''I am a New Yorker,'' and perhaps that is what we all are, New Yorkers; and this is what we will be on September 6.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, I yield to the gentleman from the 9th Congressional District (Mr. WEINER), a newer member of the delegation, but an energetic and productive member.

Mr. WEINER. Mr. Speaker, I thank the gentleman for yielding to me, and I want to thank him for being such a driving force behind this effort to pay tribute to New York and our country on the 6th.

I also want to take this opportunity to thank the gentleman from New York (Mr. GILMAN) for all he has done, not just to make this event a reality, but frankly to make our world a safer place. In his years here in the House of Representatives, no Member has devoted more energy to spreading American values and to finding out ways to make our world safer, and I want to thank the gentleman from New York (Mr. GILMAN) and the gentleman from Texas (Mr. ARMEY) and all of the Republican leadership who have been so responsive to our community at this time. Sometimes there are not a lot of Republicans in some corners of New York City, but I think we have been bipartisan in our effort to recover.

Many people, many Members of Congress visited New York City in the days right after September 11; and I want to tell my colleagues the New York they are going to visit on September 6 could not be more different than what they saw. If my colleagues saw destruction on that day, well, when they return on the 6th they are going to see determination. They are going to see massive rebuilding going on.

They are going to see a debate that might make a person scratch his head, where New Yorkers are complaining that the buildings that are going to rise on that site and the tribute to be paid on that site are not grand enough; that when people thought perhaps the terrorists would force us to cower and be afraid to be in tall buildings, now proposal after proposal that comes out of the Lower Manhattan Redevelopment Corp., everyone seems to be saying the same thing: we want to build grander and grander than we even had it before.

My colleagues might have found on September 11 and the days right after people were a little fearful about what would happen next. My colleagues will find nothing but heroism today. We see young people from all around New York City signing up to volunteer to be firefighters, to pay tribute to those heroes from September 11. We see a renewed sense of commitment to public service in New York City that defies any sense of fear that might have come from the days immediately following.

My colleagues may expect that that sense or kind of pessimism that had emerged right after September 11 and many of us visited, many of my colleagues were there to see, does not exist today. Today it is nothing but optimism. Shops are reopening. Performances are booming on Broadway. We have homes being rebuilt. We have the, as much as it pains to say this, the Yankees are playing good baseball and even the Mets are showing signs of life at this point in the season.

As my colleagues were there on September 11 and frankly those of us who are still in a period where there was great deal of mourning, there is also celebration today. We are celebrating all kinds of things. We are celebrating, as I said, more development than we have seen. People are investing in New York City, and we are seeing, as my colleagues might have expected or perhaps not, in the period about 9 months after September 11 we have an explosion of children being born in New York City. Can there be any tribute to our optimism greater than that?

So when we return to New York City, we return not as an act of mere commemoration. It is indeed a celebration. We are celebrating our democracy. We are celebrating our resilience; and above and beyond that, we are celebrating our national victory over fear and over the terrorists. Here we will stand 1 year after an attack that seemed to be almost debilitating, and we will find that it takes more than just a body shot to our national psyche to keep us down. We have returned better than ever, and I want to thank all of my colleagues for joining us in New York City to celebrate that fact.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, I yield to the gentleman from the 17th Congressional District, the County of the Bronx, the borough de Bronx, the city and State of New York (Mr. ENGEL).

Mr. ENGEL. Mr. Speaker, I thank my colleague for yielding to me, and I want to also pay tribute to the gentleman from New York (Mr. GILMAN)

and to the gentleman from Texas (Mr. ARMEY), the majority leader, and of course, the gentleman from New York (Mr. RANGEL), who is the dean of the New York delegation who has led us so well for so many years.

This was not only a strike on September 11 at New York City. It was not, of course, only a strike in downstate New York or in the suburbs of New York City. It was a strike at our great Nation, at our country. The terrorists thought that they could make us cower and that we never again could perhaps regain the greatness that we always have known. New York City has been the symbol of this country for so many years, but they were wrong.

They were wrong because in the aftermath of September 11 all our colleagues rallied around New York and asked how they could help. All of us that represent downstate New York and the cities and the suburbs, we were all, as all New Yorkers were, touched by the tragedy. All of us had friends and constituents and people who lost their lives on September 11. All of us attended funerals of people who lost their lives on September 11, and the pain is still there. As my colleagues have said, the wound is still there.

The wound does not allow us to just throw up our hands and walk away. The wound makes us even more determined to rebuild and to show the world what New York really means; and so shortly thereafter, the United States Congress, the House of Representatives, the Senate, the President, and everyone rallied around New York; and massive dollars were put into New York to help us rebuild, and that process is continuing and will have to continue and we will be coming back to Congress for more because we need to keep the rebuilding process going.

The spirit of New York, if anyone had any doubt about how New Yorkers would react, they need not have any doubt anymore, because what we saw in the next days, and I was in New York city as well on September 11, and the day right after, as my colleague from the Bronx also said. The only way a person could get back to Washington was driving, and I remember having a staffer driving me because my car was here, parked at the airport; and as we went over the George Washington Bridge and looked to see where the towers used to be, instead of the towers we saw smoke rising because, if my colleagues remember, there was smoke coming out for a long, long time, for weeks and weeks and months after the tragedy. When I looked at that, I just broke down because it was just too much to fathom.

In the time since, every time I go back and forth every week, I always look at the skyline and something, of course, is missing and it really is an open wound. But we will rebuild, and of course, the towers, terrible tragedy, but not as tragic as the human life that was lost on September 11, not only in New York City but in Pennsylvania and at the Pentagon as well.

So the Congress coming to New York on September 6 is a very, very fitting tribute and one that we are very, very grateful for because it shows that a year later, the country, the Congress has not forgotten and what more fitting tribute than to bring the people's House to the people of New York City.

I hope that this will be the start of many, many events coming to New York City to show solidarity with the people of New York. I hope both the Democratic and Republican national conventions come to New York City. I hope the Olympics come to New York City, and I hope that people from all over the country continue to flock to New York City and tourism and other things because the city has so much to offer.

Mr. Speaker, I said in the aftermath of September 11 on the floor of this House that I was never prouder to be an American and never prouder to be a New Yorker; and just the way the events of September 11, I said at the time, have awakened a sleeping giant, the United States, and we will win the war on terrorism, make no mistake about it. It will take many years. It will take a lot of money, but we will win that war. We saw something with New Yorkers, not only the heroism on September 11 and afterwards where everybody just pitched in, firefighters, policemen, iron workers, average citizens coming in; but the fact that the camaraderie that we saw, the true caring of human beings, the banding together to show what New Yorkers are made of, that made me very, very proud.

I will be there on September 6 with my colleagues, and I hope that a majority of colleagues from both sides of the aisle, from all parts of the country come to New York on September 6; and I hope people do not only just come and leave. I hope people stay because the symbol of New York is a symbol of this country.

The terrorists, again, did not hit New York because it was New York. They hit the World Trade Center because of the symbolism of what that center meant in the United States. So I am pleased to join with my colleagues to thank my colleagues and to say I will be seeing them all on September 6 in New York, New York, the greatest city in the world.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York (Mr. NADLER). This tragedy had to occur in somebody's congressional district, and it was the 9th Congressional District; and those people are so fortunate that he is leading the way not only for the economic recovery but for the compassionate recovery of what occurred in that area.

Mr. NADLER. Mr. Speaker, I thank the distinguished gentleman for yielding to me.

Mr. Speaker, on September 11, in the morning, I was down here in Washington, and I was preparing to come to the office 10 to 9:00 in the morning; and I put on the television to see the weather, and I saw the picture of the World Trade Center burning, and then as I watched, the second plane flew in, and I knew immediately it was a terrorist attack. I knew I had to get home because it was the middle of my district.

I went immediately to the train station because I assumed they would ground the airplanes and probably the cars would not get across the bridges and tunnels. It took me most of the day to get home, and as the gentleman from New York (Mr. ENGEL) mentioned, I often take the train to go home to New York, and it was always my habit, as we approached the city, to look out the right side window to see how far away I could see the first buildings, the World Trade Center usually, about 20 miles away, even before I got to Newark.

When I looked out the window and saw a huge plume of smoke where the towers ought to be reaching up, I do not know, 10, 20,000 feet and then spread half across New Jersey, it was the most heartrending sight one could ever see. Then when I got out of the train finally, took from 10 a.m. to 6 p.m., normally a 3-hour trip, at Penn Station, 33rd Street and 8th Avenue, not a car in sight. Nothing moving. Not a person in sight on the middle of a weekday. It was an incredible sight to see like a scene from some surrealistic movie.

Mr. Speaker, this attack on New York was an attack on our country, not just on New York.

□ 1430

It is altogether fitting that Congress should meet again in New York as it did in 1790, I think it was, 1789, for two purposes. One, to show solidarity with the people of New York and certainly the voting of $21.4 billion in funds to help the City and State rebuild, to help heal the wounds, is a great show of solidarity by the Congress of the United States and the President on behalf of the people of the United States. It is a great show of solidarity with the people of New York. But meeting in New York is a very symbolic act of solidarity which is very, very fitting on the first anniversary of this great tragedy.

The second purpose, I think, in meeting in New York is frankly to say to the terrorists you have not accomplished anything. You may have wounded us, you may have hurt us, you may have cost 3,000 lives for whom we grieve, but you have not seriously hurt the United States, you have not defeated the United States, and you will not.

It is said, Mr. Speaker, that after the attack on Pearl Harbor when his officers came to congratulate Admiral Yamamoto of the Imperial Japanese Navy for the successful attack, it is said that he replied to them ''Gentlemen, I fear that all we have done is to

awaken a sleeping giant and fill it with a terrible resolve,'' and so it proved to be.

Mr. Speaker, the attack on our country, the attack on New York, I think, has awakened a country that may have been sleeping or partially sleeping to the threat posed to all of us by Islamic terrorism.

John F. Kennedy in 1960, referring to the struggle with Communism at that time said, we were in the middle of a long twilight struggle. I very much believe and fear that we are, again, in for a long twilight struggle until we defeat the scourge of terrorism in this new century. But it is a battle we must wage, a battle we must win if civilization is not to descend into anarchy and if our freedoms are to be preserved.

I know we will win this. We will fight this war resolutely. We will win it, and we will make the people who started it rue the day that they awakened a sleeping giant and filled it with a terrible resolve. So I very much support this resolution.

Mr. RANGEL. Mr. Speaker, further reserving the right to object, I yield to our final speaker, the gentleman from New York (Mr. MEEKS), the 6th Congressional District in the Borough of Queens, and to thank him for the great contribution that he has made to the City and our country.

Mr. MEEKS of New York. Mr. Speaker, I would like to thank the gentleman from New York (Mr. RANGEL) for yielding, who is the head of our delegation and who thought of this idea and who germinated and understood how important it would be to New York. He is a great leader, a great New Yorker, a great American who served his country in war and serves his country now in the House of Representatives. And I want to thank him for his vision to make sure that we revisit New York and understand what took place on September 11.

Likewise, I want to thank my colleagues, the gentleman from New York (Mr. GILMAN) and the gentleman from Texas (Mr. ARMEY) for also coming and working together, for surely it is with their help and with their guidance that we are able to do this, and it reminds me of why I am so proud to be an American.

It is September 11. No one can ever forget where he or she was on that day. It was an election day in New York City, a beautiful day in New York City, and I was late getting ready because I was in the gymnasium working out on a bicycle. And someone ran over to me and said a plane had just hit one of the towers. At that time, not thinking that it was any other attack but an accident, I got off the treadmill and began to look at the television set. And as I watched, another plane hit the next tower. Then everyone knew what was going on.

But the first thing that I saw in that time of crisis, which renews one's spirit in its darkest hours, was that everybody in that gymnasium, every soul in that gymnasium, rallied around that television set, holding hands and coming together because we knew that we were in a dark hour. And as the World Trade Center towers fell, we saw everyone, and this is why this symbolic move on September 6 is important, Democrat, Republican, black, white, Asian, Puerto Rican, all coming together to feel the same, rich or poor, feeling and coming together to say we are going to stick together.

And then as I heard days after, the families of the victims who lost their lives in the World Trade Center and how proud and erect they stood in the most darkest of their hours, and what it told me was that still in all in the darkest of hours they realized and understood that the morning would come. So when faith would be questioned above and beyond anything they could imagine, and I went into my district that following Sunday, church after church, synagogue after synagogue was packed with people going in to pray to try to renew their faith as to making sure that there would be a better tomorrow and that there would be a tomorrow.

And I saw people, and I talked to young people who lived on the Rockaway peninsula who at Beach Channel High School could look over the bay and see the World Trade Center, some of these kids who are poor and had never had the opportunity to visit Manhattan themselves come together and cling together as Americans. And it said to me that this great country in time of its darkest hours will renew its faith and stand together in time of crisis. And on September 6, by the people's House coming to New York City, what it is saying to the people of New York is yes, have faith, have confidence, keep the faith. We see what you are doing in New York.

We know what you have had to overcome, and we are with you. We will stand with you. We are a great City, we are a great people, we are a great Nation. And I thank the Members of this House in its infinite wisdom to make sure that the New Yorkers who have fought so hard to keep their faith, who fought so hard to make sure that they are indeed a resilient city will see their representatives from all across this Nation come in a symbolic mood where the first Federal Congress met and share in what I see as the beginning again and the continuation of our great Nation.

Mr. RANGEL. Reclaiming my time once again, under my reservation of objection, Mr. Speaker, I want to thank the gentleman from New York for his comments.

Mr. Speaker, I want to once again thank the majority leader, the gentleman from Texas, especially for introducing this resolution, but to also point out that, as he leaves the Congress, I, for one, want to say that I have enjoyed the exchanges that we have had. I think that he and I, to a lesser degree, prove the greatness of the country, as we come from different parties, we have different political views, but we have never allowed that to interfere with our friendship.

The gentleman from Texas has always maintained his sense of humor, especially at times when this House has needed it during times of tension. And so while we will not miss the negative vote that he has always given for good legislation, we certainly will miss the positive contributions that he has made to make this a better House to work in for the great people of our great Nation.

Mr. RANGEL. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 448

Whereas on September 11, 2001, thousands of innocent people were killed and injured in combined terrorist attacks involving four hijacked airliners, the World Trade Center, and the Pentagon;

Whereas in the aftermath of the attacks, thousands more were left grieving for beloved family and friends, livelihoods were compromised, and businesses and property were damaged and lost;

Whereas the greatest loss of life, personal injury, and physical destruction occurred in and was sustained by the City of New York;

Whereas government and the American people responded decisively, through the bravery, sacrifice and toil of the fire and rescue workers, law enforcement, building trades, caregivers, armed forces, and millions more who through their many expressions of care and compassion brought forth comfort, hope, and the promise of recovery;

Whereas the City of New York attended to the aftermath of the destruction of the World Trade Center with profound respect for the victims and compassion to the survivors;

Whereas the City of New York has invited the Congress to meet at the site of the original Federal Hall, where the First Congress of the United States convened on March 4, 1789; Now, therefore be it

Resolved by the House of Representatives (the Senate concurring), That, in remembrance of the victims and the heroes of September 11, 2001, and in recognition of the courage and spirit of the City of New York, the Congress shall conduct a special meeting in Federal Hall in New York, New York, on September 6, 2002.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 439. Concurrent Resolution honoring Corinne ''Lindy'' Claiborne Boggs on the occasion of the 25th anniversary of the founding of the Congressional Women's Caucus.

The message also announced that the Senate has passed with an amendment

in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3210. An act to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3210) ''An Act to ensure continued financial capacity of insurers to provide coverage for risks from terrorism,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SARBANES, Mr. DODD, Mr. REED, Mr. SCHUMER, Mr. GRAMM, Mr. SHELBY, and Mr. ENZI to be the conferees on the part of the Senate.

The message also announced that the Senate has passed bills of the following titles in which the concurrence of the House is requested:

S. 434. An act to provide equitable compensation to the Yankton Sioux Tribe of South Dakota and the Santee Sioux Tribe of Nebraska for the loss of value of certain lands.

S. 1175. An act to modify the boundary of Vicksburg National Military Park to include the property known as Pemberton's Headquarters, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House of Representatives to the joint resolution (S.J. Res. 13) ''Joint resolution conferring honorary citizenship of the United States on Paul Yves Roch Gilbert du Motier, also know as the Marquis de Lafayette.''.

The message also announced that pursuant to Public Law 107–171, the Chair, on Behalf of the Majority Leader, announces the appointment of the following individuals to serve as members of the Board of Trustees of the Congressional Hunger Fellows Program:

The Senator from Iowa (Mr. HARKIN).

The Representative from North Carolina (Mrs. CLAYTON).

PROVIDING FOR REPRESENTATION BY CONGRESS AT A SPECIAL MEETING IN NEW YORK, NEW YORK ON FRIDAY, SEPTEMBER 6, 2002

Mr. ARMEY. Mr. Speaker, I offer a concurrent resolution (H. Con. Res. 449) providing for representation by Congress at a special meeting in New York, New York on Friday, September 6, 2002, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the concurrent resolution.

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

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 449

Resolved by the House of Representatives (the Senate concurring), That (a) The Speaker of the House of Representatives (in consultation with the minority leader of the House of Representatives), with respect to the House of Representatives, and the President pro tempore of the Senate (in consultation with the majority leader and the minority leader of the Senate), with respect to the Senate, may send such Representatives, Senators and other appropriate persons, to a special meeting of Congress and related events to be held on Friday, September 6, 2002 in New York, New York, in remembrance of the terrorist attacks of September 11, 2001, and in recognition of the City of New York for the harm it sustained and its recovery.

(b) Attendees under subsection (a) shall be led by the Speaker and the minority leader of the House of Representatives, and by the President pro tempore (or his designee), majority leader, and the minority leader of the Senate.

SEC. 2. The Congress may accept the offer of the City of New York and entities controlled by the City of New York to host and pay the expenses of the Congress to prepare, attend, and participate in the special meeting of September 6, 2002, and related events of that day, referred to in Section 1.

SEC. 3. On behalf of the Congress, the officers of the House of Representatives and the officers of the Senate may make arrangements with the City of New York and other required entities and agencies for participation by the Congress for the purposes designated under this resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the

TRIBUTE TO THE HONORABLE TONY HALL, MEMBER OF CONGRESS

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, I rise today to honor my friend and colleague, the gentleman from Ohio (Mr. HALL), as he prepares to accept the nomination to be the ambassador to the Food and Agriculture Agencies of the United Nations. However, I also rise with great sadness with the realization that this Congress will soon be losing one of its finest Members.

TONY HALL is a man who shows courage in the face of adversity, integrity when there is little to be found, and compassion when the prevailing winds blow with malice. Throughout his career, TONY HALL has served as the moral conscience of Congress on issues of hunger and poverty. Where there is hardship and injustice, TONY HALL is the first to enter the fray and the last to leave.

During his career in Congress, TONY HALL has often traveled into the heart of distress. When Ethiopia was in the grips of a massive famine in the years 1984 and 1985, TONY was there experiencing firsthand the grim reality that most of us viewed at a distance on our televisions. When reports started trickling out about the growing deprivation in North Korea, it was TONY who was first there; TONY who traveled there five more times, who kept his colleagues and this Nation apprised of the situation. When no one else had the courage to do it, it was TONY who traveled to Iraq, against the advice of many, to assist the suffering of the innocent.

The proverb that says ''Ease and honor are seldom bedfellows,'' applies to no one more than TONY HALL. It should come as a surprise to no one that TONY HALL has been nominated for the Nobel Peace Prize, and I imagine as TONY embarks upon his journey as ambassador to the United Nations Food and Agricultural Program, we shall hear his name again mentioned in connection with the Nobel Peace Prize.

The departure of TONY HALL from this Congress will leave a void of leadership on the issue of hunger. There are many here who have worked with TONY and supported his efforts in world hunger, but there is none who have so relentlessly and singlemindedly reminded this Congress and this country of our moral obligation to honor the least among us.

As we honor TONY's effort on the eve of his departure, I want to urge my colleagues to step into the space that will be left by TONY's departure and make sure to take up the reins of leadership in combating world hunger.

Not only is TONY HALL a man of conviction and passion, but he is also a man of deep and abiding faith. All of us know that TONY knows that his convictions are grounded, first and foremost, in his faith in a God who has charged us to feed the hungry and to shelter the naked. It is this faith that gives TONY such grace in the face of adversity and his firm kindness when he stands alone.

Mr. Speaker, there is a passage in the book of Isaiah that I love that I think bespeaks of TONY. It is Isaiah 58:10–12, and it says: ''And if you give yourself to the hungry and satisfy the desire of the afflicted, then your light will rise in darkness and your gloom will become like midday. And the Lord will continually guide you, and satisfy your desire in scorched places, and give strength to your bones; and you will be like a watered garden, and like a spring water whose waters do not fail. Those from among you will rebuild the ancient ruins; you will raise up the age-old foundations; and you will be called the repairer of the breach, the restorer of the streets in which to dwell.''

Mr. Speaker, TONY HALL has given himself to the hungry, and his light has risen in the darkness. In so doing, he has spread the light to his colleagues, to this Nation, and has shed light on the actions that must be taken to satisfy the desire of the afflicted.

□ 1445

Because of his effort, the gentleman from Ohio (Mr. HALL) is what the Book of Isaiah calls the repairer of the breach, the restorer of the streets in which to dwell; and for this, Mr. Speaker, I rise to thank and honor our friend collectively, the gentleman from Ohio (Mr. HALL), and to wish him God's blessing and Godspeed as he departs for Rome to continue his lifelong dream and work to ease the blight of world hunger.

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

Mrs. CLAYTON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentlewoman for bringing this to the floor. I have considered it an honor to serve with the gentleman from Ohio (Mr. HALL) on the Select Committee on Hunger for many years, and I know of the gentleman's dedication to try to rid the world of hunger. I know of no better man to take on the ambassadorship to the U.N. for world hunger. I commend the gentleman from Ohio (Mr. HALL), and wish him well in his new endeavors.

TRIBUTE TO THE HON. TONY HALL

(Mr. HOBSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOBSON. Mr. Speaker, I came here about 12 years ago, and I know the gentleman from Ohio (Mr. HALL) a little differently because you all know him from here. I know him from back home. We share a region called the Miami Valley.

I must tell Members from the day I was elected until this day, I believe that the gentleman and I have worked toward for the betterment of that area. We have not competed against each other, we have competed together for that region.

The gentleman has another goal that we have heard about with hunger, world hunger, local hunger. He has always worked within the district for the good of the people, the district, the State of Ohio, and the world as a whole. We are all better people because TONY HALL has served here. The world is going to be better because of the service he goes on to now.

I think there has been no one in this House that we can say any better is a true gentleman than the gentleman from Ohio (Mr. HALL) and I wish him well in his new endeavor, and I thank him for working with me together over the years in our districts. Certainly he and Janet are on to a wonderful new experience.

Mr. Speaker, just a last comment. He is in great shape; I am not. To show you how far our friendship goes, he did 100 push-ups the other night on behalf of AT, and I did not do 100, but I counted for him.

TRIBUTE TO THE HON. TONY HALL

(Ms. KAPTUR asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. KAPTUR. Mr. Speaker, I rise along with my dear colleagues, the gentleman from Virginia (Mr. WOLF), the gentlewoman from North Carolina (Mrs. CLAYTON), the gentleman from Ohio (Mr. HOBSON), the gentlewoman from Ohio (Mrs. JONES), to pay lasting and precious tribute to our colleague and dear friend, the gentleman from Ohio (Mr. HALL).

Without question, this is a gentleman of the House. I think his appointment to the Committee on Rules and to that particular position which governs our deliberations as a body is a testament to the talent that he brought to our institution and the manner in which he has executed it and risen in the esteem and effectiveness as a Member of Congress.

He has served honorably through the quarter century that he has given to the Congress and the people from his home district in the Greater Dayton, Ohio area.

At every fork in the road, he has elevated this institution as a person and also as a political figure. So rarely do those that really do good get their day in the sun. The newspapers tend to cover those who may have strayed from the straight and narrow, and it is particularly a pleasure today as an Ohioan to say that this man deserves our attention and appreciation.

I have watched the gentleman change over the years. Not that the goodness and the caring was not always there, but I have watched a depth of concern grow for the suffering of the world, in forgotten places, whether it is in our country or on another continent far from places where most Americans will ever travel. He has confronted the face of suffering. He has held dying children in his arms, and he has not walked away from that horrible, horrible thought of the fragility of life and what he as a person can actually do about it.

I have seen other concerns become less important. Some, in fact, of the unimportant moments that consume so many of the hours here sometimes in a day, the procedural motions and all of the paraphernalia that goes with holding together a large country like ours and its governing institutions, but for TONY, the depth, the passion that has grown because of what he has seen globally has transformed him and helped transform us through association with him to a greater understanding of our needs as a people; and, indeed, the people of the world.

As I watched TONY with some of his friends, Mickey Leland and Bill Emerson, also distinguished Members for so many years, I watched them travel together and bring back to us knowledge that we did not have. Through those efforts to change the way in which America feeds the world, to change the way in which we look at hunger, to create the Congressional Hunger Center here, to bring the young people of America to the Nation's capital and to get them engaged in one of the most perplexing and searing experiences one can have, and that is to meet people who do not even have enough food to survive for one day.

We see in Afghanistan and other places people eating dirt to stay alive, and it is difficult to imagine that any one of us in our own lives would ever confront that and actually take on a position where that becomes the norm. Yet to fly in the face of that and to keep walking is what the gentleman from Ohio (Mr. HALL) means to me.

I have seen the photos of his trips to Africa and North Korea; and I have also been with him in Dayton, Ohio, going through empty food pantries, trying to work with farmers that he tried to get to donate apples, and to bring those into these feeding centers, to try to find excess food that would be available in that metropolitan area and to make it available to the poor in his region and our State. He has been unrelenting in his commitment.

I think that the President has made an extraordinary appointment in nominating the gentleman from Ohio (Mr. HALL) as our ambassador to the Food and Agricultural Organization of the United Nations. He will do a stellar job.

I know that every single person whose life he touches and what he brings back to us and what he can tell us about how to be better citizens of our country and the world is something that he alone can do and will do for us. We will again be the better for that service.

I will say to the gentleman from Ohio (Mr. HALL) that I will miss him very much. As an Ohio Member, I have truly enjoyed serving with him, getting to know him and Janet, his family, the kindness and the gentlemanly behavior you have always demonstrated toward me, and I know is the same with every other Member in this Chamber. God bless you and keep you safe and healthy in your travels. It has been my honor to serve with you, TONY. Come back often. You are a great American. Some day that Nobel Prize, I hope, will find its way into your home.

TRIBUTE TO THE HON. TONY HALL

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, we come to the House floor today to pay tribute to our colleague, and Members will have an opportunity to put extensions in remarks, and we are doing this because obviously Congress is coming to a quick end tomorrow.

TONY was nominated by President Bush, and it is a credit to President Bush, too, nominated as the United States Ambassador to the United Nations Food and Agricultural Agencies located in Rome, Italy. He is awaiting final Senate confirmation which could come in a matter of days. Once confirmed, he will resign as a representative of the Third Congressional District of Ohio and take his post in Rome where he will be able to continue his passionate work as a leading advocate for ending hunger and promoting food security around the world. He will be greatly missed in the House, but I know he is absolutely the right person

to serve as the United States representative for the World Food Program, the Food and Agricultural Organization, and the International Fund for Agricultural Development, all of the agencies of the United Nations, which assist in international hunger relief.

This is a bittersweet time for me. I have had the privilege and honor to call TONY my colleague for two decades. He is my best friend in Congress. We have been part of a small group that has met for 20 years. Bill Emerson was in that group. Bill and TONY went to Ethiopia in 1994. A lot of what the gentleman from Ohio (Mr. HALL) did, he got me interested in a lot of issues that I would not have been interested in. That group meeting every Tuesday for 20 years, almost like a band of brothers, has made a big difference in certainly my life.

TONY is one of the most decent, sincere, dedicated people that I know. And he finds his strength from his deeply held faith in God and by following the teachings of Jesus. In the Bible, in James, it says be not only hearers of the word, but also doers.

Micah 6:8 said, ''He has shown you, O man, what is good. And what does the Lord require of you? To act justly and to love mercy and to walk humbly with your God.'' TONY HALL is a man of great faith, and he not only hears the word, but he does the word. He takes his faith into his every-day life, whether it be hunger in Sudan or Ethiopia, whether it is conflict diamonds in Sierra Leone or Liberia, whether it be human rights in Kosovo or Bosnia or anywhere else in Eastern Europe. I would say, and the RECORD should show, the gentleman from Ohio (Mr. HALL) is the best example that I know of what Jesus was talking about in Matthew 25 when he talks about feeding the hungry, visiting the sick, serving the poor. So as I said, it will be bittersweet to see my good friend leaving this body; but clearly I think everyone can say on both sides of the aisle, Republican and Democrat, well done. You have been faithful to all those principles.

TRIBUTE TO THE HON. TONY HALL

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, I would like to associate myself with the remarks of the gentleman from Virginia (Mr. WOLF), and as the Republican on the Select Committee on Hunger, I learned to know and love and work with TONY HALL.

Mr. Speaker, I do not know if it was mental telepathy, but just about an hour ago I found TONY on the floor of the House to tell him how regretful we were that he was leaving us. I had no idea, however, until I watched television in my office that this was coming up today.

TONY, you are God's blessing for the world and we wish you well, and we know you are going to help all of the hungry children of the world.

□ 1500

TRIBUTE TO HON. TONY HALL

(Mrs. JONES of Ohio asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I rise today to celebrate the opportunity and the blessing that has been given to my colleague and the dean of the Ohio Democratic delegation, TONY HALL. Unlike some of the speakers who came before me, I have not known him 20 years. I have only known him the past 4 years when I came to the U.S. Congress as the Representative for the 11th Congressional District of Ohio.

I found him to be all of the things that the colleagues, my colleagues, have previously said, kind, gentle, hard-working, with a deep concern for people all across this world. Very recently I had an opportunity to travel to Egypt, and I traveled with the AED as well as USAID to look at educational opportunities in these communities for women and girls. It was an eye-opening experience for me to have that opportunity because I realized and saw for myself the poverty and the lack of living standards that these poor young men and women were living in, and children. The educational programs provided an opportunity for young girls to get educated, because in Egypt, that is not a place where education is something that is done for young women out in the rural areas.

I also had an opportunity to understand what we can do through education and education in providing food and shelter to people to deal with some of the hate that exists in this world. I am so pleased to have had an opportunity in my 4 years to have TONY HALL as my counsel, to have him as a guide, to have him as a model, to have him show the type of leadership, because we are going to come to learn in this Nation that we cannot just fight terrorism in this country by dealing with it by war. We have to fight terrorism by dealing with it with younger people and teaching them the importance of feeding the hungry, of giving water to the thirsty or giving clothing to those who do not have any clothing.

I just want to take my hat off to you, TONY HALL, and say it has been a privilege to serve with you in the House of Representatives. And since you are going to Rome, Italy, save me a bed. I am coming to see you.

TRIBUTE TO HON. TONY HALL

(Mr. SAWYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SAWYER. Mr. Speaker, this is a happy-sad day that TONY brings to us. For the last 33 years, the genuine gentleman from Ohio has been serving the people of his community and our State and our Nation in remarkable ways, first in the Ohio House and then in the Senate, then it was as a Member of the United States Congress.

I first met TONY, although he probably will not remember it, in 1974 when I was working on behalf of a gubernatorial candidate all over the State and he was all running all over the State seeking to become Secretary of State. Fortunately he did not succeed in that because he may never have gotten to the United States Congress and to the threshold of the enormous opportunity and responsibility that lies before him today. I am confident that he will continue to be a tireless voice for alleviating global hunger.

TONY has been nominated for the Nobel Prize three times. One of these days the recognition that that will bring, people will understand the value of what he has done and can do with that recognition, and we will not be talking about nominations anymore. I have got much more written here, but I know you are trying to get as many people onto the floor as you can, Mr. Speaker. I will put much of this in the RECORD.

I just want to say that his service to his constituents has been remarkable as well and his work on behalf of Wright-Patterson Air Force Base and the whole history of aviation in Ohio has been a signal to the rest of the Nation of what the Miami Valley has meant in the course of this past century in going from the dune to the moon. It has been an amazing contribution.

But above all and more important than anything else, TONY HALL sets the standard for decency and integrity among us in the House. He models the behavior he expects of ally and adversary alike, and of each, he seeks to make a friend by being one.

Thank you, TONY. It has been an honor for all of us to serve with you as a Member of this House and for us from Ohio, in particular, as a member of your delegation. I hope we all will join in wishing TONY HALL the very best in his future endeavors because it will make our lives and our world a better place.

Mr. Speaker, for the last 33 years, TONY HALL, the Gentleman from Ohio, has been a true public servant for the people of Ohio, first, as a member of the Ohio House of Representatives, then as an Ohio State Senator, and for the last 24 years, as a member of the United States Congress. Through his dedication to improving human rights and ending hunger, he has served this institution, the Nation, and the world in exemplary fashion. I am confident that in his new position as the U.S. ambassador to the food and agriculture organizations in Rome, the Gentleman from Ohio will continue to be a tireless voice for alleviating global hunger. He will also bring honor and dignity to his

new position, just as he has done in the House.

With the TONY HALL leading our government's effort to promote food security across the globe, the United States will be well represented in the international community. Most important, those who face each day with hunger will have his talents and energy focused on addressing their burden. He has always had passion for ending hunger. Now, as the ambassador, he can be single-minded in his efforts and fight for this cause with the full support and authority of the United States government.

Nominated for the Nobel Peace Price three times, Mr. Hall's humanitarian efforts abroad are well known. However, I believe it is important to highlight the important work he has done on behalf of his constituents throughout his tenure in Congress. He has been a staunch supporter of Wright-Patterson Air Force Base, his district's largest employer, and has been a leader in the House in support of the Air Force Science and Technology program, which is headquartered at Wright-Patterson.

He also drafted legislation that was enacted in 1992 which created the Dayton Aviation Heritage National Historical Park and established the Park as a unit of the National Park System. The law also established the Dayton Aviation Heritage Commission to assist federal, state, and local authorities in preserving and managing the historic resources in the Miami Valley that are associated with the Wright brothers and aviation. This park will serve as a reminder for generations of Dayton residents and visitors from around the world about the importance of Dayton as the birthplace of aviation.

More important and above all else, he sets the standard for decency and integrity among us in the House. He models the behavior he expects of ally and adversary alike. And of each he seeks to make a friend by being one.

Thank you. TONY.

It has been an honor to serve with you as member of the Ohio delegation and as colleagues in this House for the past 16 years. I hope we will all join in wishing him the very best in his future endeavors.

TRIBUTE TO HON. TONY HALL

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCGOVERN. Mr. Speaker, I am very honored to join with my colleagues here this afternoon as we pay tribute to TONY HALL.

Mr. Speaker, in my opinion TONY HALL is not only a great Congressman, he is a great man. As all of my colleagues in this Chamber know, he has long been a leader on human rights issues, on hunger issues in this Congress.

I first got to know TONY HALL when I was a staffer for the late Congressman Joe Moakley, and I recall when I worked for Congressman Moakley receiving Dear Colleagues from Congressman HALL on the issue of East Timor. TONY HALL was the first voice to speak out on behalf of the people of East Timor. He was a courageous voice in condemning the atrocities that were inflicted on the people of East Timor by the Indonesian military. He organized letters, he organized protests, he organized press conferences, and he fought very hard to help those people secure independence in East Timor. I believe very strongly that the independence that East Timor has ultimately achieved in large part and the support that the United States provided that independence movement in large part is due to the efforts of TONY HALL.

He also, and I have been very proud to work with him on this issue, has been a great leader in helping us with the global food for education initiative, the so-called George McGovern-Bob Dole Global Food for Education Initiative. TONY HALL knows that hunger in this world is essentially a political condition and hunger amongst children is immoral. We need to do something about it.

We have the ability to do something about it. He has steadfastly challenged this Congress and this country to do more to alleviate hunger around the world. I am particularly proud to have him as an ally on this effort because this whole effort is about making sure that every child in the world gets at least one nutritious meal a day in a school setting.

He knows that children who are hungry cannot learn. He also knows that when you introduce a meal in a school setting, more children actually go to school. And so he is committed not only to eliminating hunger amongst children, but to universal education, for all children. He knows that that is how we create a more tolerant, a less violent, a better world for all of us.

While he is well known for a lot of his international efforts, he has also been a champion to fight hunger and homelessness right here in the United States. We all recall his vigils and his walks with homeless people throughout this city. I remember one evening when he launched a hunger fast to try to get us to do more in this Congress to help the homeless and to help those who were hungry. He has been the conscience of this Congress.

I want to just say that I cannot think of anybody more qualified to go on to become the United States Ambassador to the U.N. Food and Agriculture Organization in Rome than TONY HALL. It is a job that my friend and my teacher, my mentor, George McGovern, had for many years. I think TONY HALL will be excellent in that position and will use that international forum to not only compel the United States, but to compel the rest of the world to do more on these issues. I am honored to follow him on the Rules Committee where he served with such distinction for many years.

We will miss TONY'S passion and resolute commitment. I hope that Congress does not forget the hungry of the world when he is no longer here to speak out on their behalf. He has done incredible things here in the United States Congress, and I expect that he will do incredible things in his new position. I thank him very much for his service and his friendship.

TRIBUTE TO HON. TONY HALL

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, TONY HALL has taught us well, and I want to be a good student. Though he is going to Rome, let me tell you that Afghanistan, Mr. HALL, cannot wait until you get to Rome. Sub-Saharan Africa cannot wait until you get to Rome. Parts of Texas cannot wait until you get to Rome. Because there is hunger in these places, in fact, famine, and we are delighted that Congressman HALL will be able to be not a soldier but a general in the war against hunger.

I guess I have had the privilege of knowing you longer than my tenure in this House, because in the 18th Congressional District, TONY HALL was like the other Member that represented us. Your good friend, Congressman Mickey Leland, made sure that we understood the issues of hunger and that we are, in fact, our brothers' and sisters' keeper.

I remember hearing about Bill Emerson. I remember hearing about the Select Committee on Hunger and now knowing the story of, before I got here, your hunger strike when efforts were made to dismantle that committee. What we learned is that hunger grows. It will not end on its own. And TONY you did not mind whether it was in style or was out of style, or that the issue was a popular issue today. He consistently stayed the course. The congressional hunger fellows that many of you may have had experiences with or may not, today are a steady force of trained, young, bright professionals, committed, passionate souls who today fight hunger because of their spiritual guru in TONY HALL.

He certainly spoke out and still speaks out against homelessness, but he finds causes and he never lets up. The blood diamonds that many of us may not have been exposed to, I remember traveling to Botswana and the issue was made known, ''We are doing good things with our diamonds. What is that TONY HALL doing?'' I am glad I joined his cause, because when you see the dismemberment of children or the amputation, the severe violence against children over these diamonds in countries in West Africa, you know that his heart and his mind and his message and his actions were in the right place.

So for me it has been, I guess, sort of a continuing of the spirit that we knew in Texas. Mickey Leland would not have wanted this day to pass without his words being offered: Thank you, friend. Thank you, friend.

And so as a student of yours, though my efforts may not have been as they should have been, let me recommit myself, and when I say that, I suggest that all of us are filled with the responsibilities of this body, but let me recommit myself to the teacher's teachings and that we will fight against hunger. We wish you well and we know that you, in your role in Rome, will fight hunger around the world. We thank you. A heavenly and sincere farewell to you and your wife. We thank you for all of your service.

TRIBUTE TO HON. TONY HALL

(Mr. MCNULTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MCNULTY. Mr. Speaker, TONY HALL has been a friend of mine for 14 years. When you have seen firsthand the enormity of the hunger problem on the face of this earth, you can understand the commitment of TONY HALL. My first appointment by a Speaker of this body was to the Select Committee on Hunger. And 3 months after that appointment, I was in Sudan with Mickey Leland, with GARY ACKERMAN, with my late friend Bill Emerson. And in that country the year before, 1988, 280,000 people starved to death, in that one country. I often use these numbers to illustrate sometimes that we do not have our priorities straight.

□ 1515

If a few thousand people die in Europe, we get involved in the conflict, as well we should. In the homeland of my ancestors, in Ireland, over the past 30 years in what we call ''The Troubles,'' between 3,000 and 4,000 people have died, and I think that is a lot of people; and I am glad we are getting involved in trying to bring peace in that conflict. But in that one year, in one country on the continent of Africa, 280,000 people starved to death, and somehow we do not as a Nation have the same commitment to doing something about that.

In that one nation over the period of the last 20 years, more than 2 million people have starved to death on what I call the forgotten continent.

I can tell you, if any one person in this body has worked consistently to make sure that is not the forgotten continent, and that men, women, and children do not starve to death on this Earth of such great bounty, it is TONY HALL.

I can remember when I was in one of those camps down in southern Sudan, it was either Mugud or Wau, and I looked out and I could see huge numbers of people, as far as the eye could see, without really knowing where their next meal was coming from. It was very moving to me.

I remember turning to TONY's friend, Mickey, who was chairman of the select committee at the time, and saying to him, ''Mickey, how are we going to solve all of this?'' And he quoted the Talmud. He was giving me a lesson. He said, ''Mike, if you save one life, you save the world.'' That was his message to me, that each one of us has to do our own small part in trying to correct horrendous situations like that.

No, none of us can solve all of the problems of the world, but if each of us helped in our own small way with whatever talents or resources we have, we could solve these problems. That is something that that teacher has demonstrated to me, and I thank him for it.

I know there are many others who want to speak, Mr. Speaker; so I will abbreviate my remarks. I will just conclude by saying that TONY HALL is one of the people who lives the prayer of St. Francis and especially understands and demonstrates that it is in giving that we receive. He understands the fundamental principle, that life is to give, not to take.

I salute you, my friend; and thank you for your commitment to the men, women, and children of this world.

TRIBUTE TO THE HONORABLE TONY HALL, A TRUE SERVANT-LEADER IN THE FIGHT AGAINST POVERTY AND HUNGER

(Mr. RAMSTAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAMSTAD. Mr. Speaker, I rise today to pay tribute to one of the greatest humanitarians to ever serve in the United States Congress. Congressman TONY HALL has inspired not only the Members of this body, but people throughout the entire world, with his untiring and selfless dedication to helping people in need.

Congressman TONY HALL is a true servant-leader. The minute you meet TONY and talk to him about what drives him, you can easily understand why he has been nominated three times for the Nobel Peace Prize, in 1998, 1999 and 2001. Tony Hall's pioneering leadership for hunger relief programs and international human rights is legendary.

After 24 years as a Member of Congress and all TONY HALL has accomplished around the world, it is easy to understand why President Bush has nominated him for the rank of ambassador as the United States representative to the United Nations Agencies for Food and Agriculture, the organizations that deal with international hunger relief.

TONY has served the people of his district in Ohio and the people of this great country with great distinction for 24 years, and we are all going to miss TONY as he leaves the House for his new position. But TONY will remain uppermost in our hearts and minds as he continues the important work which has defined his legacy here in Congress.

TONY HALL has left his mark, Mr. Speaker, in so many ways. I have worked closely with TONY on many legislative initiatives, including hunger, housing, and welfare issues. It has been a real privilege to serve with TONY as a member of the Congressional Hunger Center, of which TONY HALL is the founder and chairman.

But, Mr. Speaker, I am even more privileged to have come to know TONY and his wonderful wife, Janet, on a personal level and to witness firsthand their important ministry to people in need.

Although examples are endless, one example leaps to mind. TONY and I have shared many fond memories of the 20th anniversary dinner of our Greater Lake Country Food Bank in Minneapolis, which I helped found. My good friend, our good friend, Hy Rosen, who is the director of this important food bank in Minnesota, asked me to find a keynote speaker for the 20th anniversary celebration in April of 2000. Of course, I thought immediately of my friend TONY HALL.

I will never forget TONY's stirring, inspiring message to the overflow crowd of volunteers, staff, and community leaders that night at the Greater Lake Country Food Bank. TONY's message inspired all of us to work even harder to help fight hunger, inspired all of us to move to greater heights in the war against hunger, inspired all of us to greater accomplishments on behalf of people in need.

TONY HALL has that effect on people. TONY can motivate like few others because of the way TONY HALL speaks right from the heart. TONY HALL walks the walk.

Mr. Speaker, TONY HALL calls it his ''personal passion'' to fight hunger and improve conditions for the neediest people, both here at home and abroad.

TONY and I have been active with an organization in Washington called the People's House. I keep a card in my wallet which talks about the People's House as a place where any person in our Nation's Capital can call and talk to a friend, anytime, night or day. The friends who made this possible know that TONY is a true friend to so many people, a person who every day sees his calling as helping the less fortunate and bringing the light of the Lord into all areas of this life.

Those of us who know TONY are very pleased to see him continuing the important work he began here in Congress 24 years ago in his new position as ambassador to the U.N. organizations that deal with international hunger relief. I might add, this is a great appointment by President Bush. He could not have chosen a more qualified, a more compassionate or a better individual to serve in this important position.

I am truly privileged by TONY's friendship the past 12 years; and I wish,

on behalf of all of the people of Minnesota, TONY and Janet all the best in their new challenges. May God bless you both, TONY.

TRIBUTE TO THE HONORABLE TONY HALL

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, as a member of the Ohio delegation, I have been proud to call TONY HALL ''leader.'' He has led our delegation with dignity and honor, and he has brought to this House a grace, a wisdom, and a compassion which has filled up this House.

It is a work of mercy to feed the hungry, and TONY's life has been about showing mercy and about bringing together resources to make sure that hungry people would be fed in this country and around the world. When TONY saw a challenge, where hungry people did not have their needs met, TONY put himself on the line physically to challenge the sensibilities of our Nation and the world. So it is no surprise that President Bush would tap him to be our ambassador to the world on issues of food and issues of hunger.

In his new capacity, Ambassador TONY HALL will be the one who people will look to from all over the world to deal with the challenges of world hunger. He will be the one who will make sure that the World Food Program is effective and that food gets to people who need it. He will be the one to make sure that the Food and Agricultural Organization coordinates its efforts to those most in need. He will be the one to make sure that the International Fund for Agricultural Development uses its resources to grow new opportunities for people around the world.

Many of us in life are challenged to step up to our responsibilities to help others; and when we are, we sometimes hear the echo of words that come from Scriptures; and the echo that TONY HALL heard years ago was of a question that asked, ''When I was hungry, did you feed me?'' TONY HALL has been able to stand before this Congress and say, yes, and next he will stand in Rome in front of the world and answer again, yes.

What a blessing it has been to work with you, TONY. God bless you. We all in this Congress look forward to working with you to continue to address the challenges of hunger, which are so serious all over this world and which your large heart encompasses, all the people of the world, so that they can share in the abundance which we know this world has.

Thank you, TONY HALL.

TRIBUTE TO THE HONORABLE TONY HALL

(Ms. CARSON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. CARSON of Indiana. Mr. Speaker, I wanted to run to the floor when I saw that this was under way to give my own personal and special tribute to the Honorable TONY HALL, who has had now a higher calling, one of ambassador to the United Nations for Food and Agricultural Agencies, all the way in Rome. What a beautiful place to be, in Rome.

I have not known the Honorable TONY HALL for as long as many of you have, and certainly do not hail from the same State from which he is elected; but TONY HALL has the kind of spirit that radiates across boundary lines, geographical lines, State lines.

When you understand TONY HALL, the genuine spirit that he emits, knowing that he has reverence for the world's hungry and for food safety around the world, you cannot help but consider him a comrade, a colleague, regardless of the State from which he hails.

TONY HALL is willing to make this sacrifice, to give up a very safe seat in the United States House of Representatives, to go on to what I consider, TONY, to be a higher calling, but a much more important calling. As the speaker before me recalled from Scripture, ''When I was hungry, did you feed me?''

I do not want to get emotional about this, but when you think of all of the children around the world who need a TONY HALL there to advocate there for them, kids who go to bed hungry, kids who wake up hungry, kids who are dying from malnutrition, kids who are orphans, perpetuated by the unabated rise of AIDS and HIV and tuberculosis and lack of immunization, when their lives could be spared and their bellies could be fed, to think that you and your lovely wife are going to go out along the highways and the byways and truly be a Good Samaritan along life's highway, you remind me often of what I describe for people like you: you live not just because, but you live for a cause, living for God's people.

You are reminiscent of the poet that said, ''If I can just help somebody as I am walking through, then my living will not be in vain.''

The nice thing about this, TONY, is for you to be able to sit here and hear this, because oftentimes when we lose a Member, we are memorializing the Member.

□ 1530

But you have an opportunity to sit here and know that people love you and that people are going to miss you. I know one thing, after a speech like this in tears on national television, you better give me your address so I can come to Rome and tell the security there, I know TONY HALL, I am one of his former colleagues, and to be one of your colleagues.

But to make this kind of commitment to good work, you are what I call an unsung hero, one that does not seek the spotlight. But you certainly will eternally have the high light, and that is far more important than prizes and accolades and all of those kinds of things. You have a high light that radiates eternally.

TRIBUTE TO THE HONORABLE TONY HALL

(Mrs. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. EMERSON. Mr. Speaker, I rise to join with my colleagues in paying special tribute to an extraordinary individual and one who has touched the lives of the entire Emerson family over many, many years.

Mr. Speaker, I recall the friendship, the very close and deep friendship that TONY had with my late husband, Bill; the faith that they shared together, the friendship they shared together, and the compassion that TONY showed, and the deep faith and love TONY showed for Bill as he held our hands and Bill's hand through a very fatal illness and his subsequent death. All of this in spite of the fact that his own son was very seriously ill.

But I guess that should not come as a surprise to anyone who knows TONY, because I can think of no person who is more of a hero and more of an inspiration than TONY HALL, not only in the work that he has done throughout his years in Congress, but truly, there is no one who has put a more human face on the issue of hunger, both here and abroad.

Mr. Speaker, I remember so very well the time that TONY went on the hunger strike so that he would finally make all of us, or all of our colleagues; I was not in Congress back then, but Bill Emerson and everyone understood that there was a very serious problem in the United States and in the world, and that Congress needed to get serious about this issue. He made his mark. He made it not only here in the Congress, but throughout the United States and throughout the world.

As TONY leaves his position here in Congress and he leaves his position as the chairman of the Congressional Hunger Center, he has left me in a bit of a precarious position, because TONY had recommended that I become the new chairman of the Congressional Hunger Center, and I do not think I have ever been so scared of anything in my life, nor so intimidated, because no one, no one could possibly fill the shoes that you, TONY, have. You are a remarkable person, and I am so pleased that the President understood the gift that you have for people, the gift you have for life, the faith, the leadership, the inspiration that you give to all of us.

As you move to this very, very important job in Rome, all of us will be with you in spirit, be praying for you, and know that there is no better person to help the world understand the investment we must make to rid the world of hunger.

Thank you, TONY, so much for being our friend, for being our colleague, and for being a real and genuine person who always cares more about others than yourself.

RECESS

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

Accordingly (at 3 o'clock and 34 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1900

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. SWEENEY) at 7 p.m.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, July 25, 2002.

Hon. J. DENNIS HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am transmitting herewith a letter received on July 25, 2002, from the Honorable Virgil H. Goode, Jr., requesting that, effective August 1, 2002, his party designation be changed to Republican on all publications and databases of the House of Representatives.

With best wishes, I am.

Sincerely,

JEFF TRANDAHL,
Clerk of the House.

COMMUNICATION FROM THE HON. DAVID E. BONIOR, MEMBER OF CONGRESS

The Speaker pro tempore laid before the House the following communication from the Honorable DAVID E. BONIOR, Member of Congress:

WASHINGTON, DC,
July 25, 2002.

Hon. DENNIS J. HASTERT,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule VIII of the Rules of the House of Representatives, that I have been served with a civil subpoena for documents and testimony issued by the United States District Court for the District of Columbia.

After consulting with the Office of General Counsel, I will make the determinations required by Rule VIII.

Sincerely,

DAVID E. BONIOR,
Member of Congress.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 5005, HOMELAND SECURITY ACT OF 2002

Ms. PRYCE of Ohio, from the Committee on Rules, submitted a privileged report (Rept. No. 107–615) on the resolution (H. Res. 502) providing for consideration of the bill (H.R. 5005) to establish the Department of Homeland Security, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 5005, HOMELAND SECURITY ACT OF 2002

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 502 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 502

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 2(b) of rule XVIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 5005) to establish the Department of Homeland Security, and for other purposes. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and shall not exceed 90 minutes equally divided and controlled by the chairman and ranking minority member of the Select Committee on Homeland Security. After general debate the bill shall be considered for amendment under the five-minute rule.

SEC. 2. (a) It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Select Committee on Homeland Security now printed in this bill. The committee amendment in the nature of a substitute shall be considered as read. All points of order against the committee amendment in the nature of a substitute are waived.

(b) No amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the report of the Committee on Rules accompanying this resolution and amendments en bloc described in section 3 of this resolution.

(c) Except as specified in section 4 of this resolution, each amendment printed in the report of the Committee on Rules may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole.

(d) All points of order against amendments printed in the report of the Committee on Rules or amendments en bloc described in section 3 of this resolution are waived.

SEC. 3. It shall be in order at any time for the chairman of the Select Committee on Homeland Security or his designee to offer amendments en bloc consisting of amendments printed in the report of the Committee on Rules not earlier disposed of or germane modifications of any such amendment. Amendments en bloc offered pursuant to this section shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided and controlled by the chairman and ranking minority member of the Select Committee on Homeland Security or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. For the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the amendments en bloc.

SEC. 4. The Chairman of the Committee of the Whole may recognize for consideration of any amendment printed in the report of the Committee on Rules out of the order printed, but not sooner than one hour after the chairman of the Select Committee on Homeland Security or his designee announces from the floor a request to that effect.

SEC. 5. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The question is, Will the House now consider House Resolution 502.

The question was taken; and (two-thirds of those having voted in favor thereof) the House agreed to consider House Resolution 502.

The SPEAKER pro tempore. The gentlewoman from Ohio (Ms. PRYCE) is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. FROST), the ranking member of the Committee on Rules and a member of the Select Committee on Homeland Security, pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, H. Res. 502 is a structured rule providing for the consideration of H.R. 5005, the Homeland Security Act. The rule provides 90 minutes of general debate, equally divided and controlled between the chairman and ranking minority member of the Select Committee on Homeland Security. It provides an amendment in the nature of a substitute recommended by the Select Committee on Homeland Security now printed in the bill be considered as an original bill for the purpose of amendment.

The rule also makes in order only those amendments printed in the Committee on Rules report accompanying the resolution. Each amendment may be offered only in the order printed, may be offered only by a Member designated in the report, shall be debatable only for the time specified, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment or demand for

division of the question, except as specified in section 4.

The rule waives all points of order against consideration of the bill and waives all points of order against such amendments. The rule provides the select committee chairman or his designee en bloc authority. Finally, the rule provides one motion to recommit, with or without instructions.

Mr. Speaker, America has awakened to a new era in global affairs. As President Bush has noted, we are today a nation at risk to a new and changing threat. We can no longer hold on to the belief that between our shores we are free from the violence of the world. On September 11, we learned all too well and at all too high a price that a stark new reality confronts us as a Nation. We should not doubt that our freedom, our liberty, our very way of life are under attack.

Today we take bold and necessary steps to reshape our Government to reflect the sad new reality. The process we will use to take these steps is a fair and equitable one, and I would like to take a moment to clarify for my colleagues that while this is a structured rule, this rule reflects the negotiated recommendations of the House leadership, both Republican and Democrat, and will allow for a spirited debate on issues focused on homeland security and creation of the Department of Homeland Security.

It is jointly recommended by the Speaker of the House and the minority leader and their wisdom ensures that all opinions will be considered and all issues pertaining to homeland security are aired because, Mr. Speaker, the victims of terror do not care about political differences. This nonpartisan process for consideration of H.R. 5005 illustrates that the security of our homeland simply cannot and must not be a partisan issue. Of course, this does not mean that difficult decisions have not been made during the process of crafting legislation, and it does not mean that more difficult decisions have yet to be made here tonight and tomorrow. I had the great honor to serve on the House Select Committee on Homeland Security, which just last week considered and marked up the underlying legislation. Under the fair and steady leadership of the gentleman from Texas (Mr. ARMEY), Chairman and leader, the Select Committee heard from some of the Nation's most selfless, accomplished, and dedicated public servants. We also considered the expert recommendations made by the 12 committees of jurisdiction in the House and incorporated the vast majority of their recommendations. The Select Committee process was fair, open, and inclusive. We continue that practice today with this rule, which was crafted through joint effort by the majority and the minority.

The world we live in today is a very different place than it was in 1947 when the last major reorganization of our Government took place. At that time, as noted by President Truman, the world was a place ''in which strength on the part of peace-loving nations was still the greatest deterrent to aggression.'' Today our military might, while still vital to our national defense, is no longer sufficient in and of itself to deter aggression and to ensure our national security.

The perpetrators of terrorism have recognized that our greatest strength, the open society in which we live, also makes us vulnerable to their attacks. They are shadowy and agile, and they target us like predators without distinction between military target and ordinary citizen. The war against terror is fought not just on battlefields abroad but in our very own cities and towns. We must be able to respond at home in a strong, informed, coordinated and agile way.

The creation of a new Cabinet-level Department is only one part of our national response, but it is a very essential part. The new Department will consolidate vital preparedness, intelligence analysis, law enforcement, and emergency response functions that are currently dangerously dispersed among numerous Federal departments and agencies.

And while no price is too high to ensure the long-term security of our Nation, this Department will be created in a way that eliminates redundancies and inefficiencies so that costs are minimized.

Specifically, this bill takes steps to protect our borders through inclusion of the Coast Guard, the Customs Service, and several important functions of the Immigration and Naturalization Service and the Animal Plant Health Inspection Service. The bill ensures that the new Department will engage and coordinate with State and local first responders by including FEMA and the Secret Service. The bill promotes world-class research and development in the public and private sectors. And importantly, the bill preserves our essential freedoms and liberties while ensuring that the Department is open and accountable to Congress and the American people.

This legislation ensures that the new Department will have all the tools it needs to successfully protect and defend America in the near future and as the threat continues to evolve. An essential tool in the new Department's arsenal will be its flexible and motivated work force that can respond swiftly to this shifting threat.

The legislation maintains all the basic Federal employment protections, including protections for whistleblowers and the right to collectively bargain, while allowing additional agility in key selected areas so that the new Department can attract and retain the best and brightest and move personnel when national security requires. The success of the new Department will be inexorably linked to the abilities, motivation and hard work of its employees, and this bill respects and protects their rights.

President Truman described the period following World War II as ''an age when unforeseen attack could come with unprecedented speed.'' Fifty-five years later that description applies equally well. Once again, Congress must heed the call of our President and take up an historic task.

Thus far the Government has shown immense resolve and dedication, going to extraordinary lengths to respond to the terrorist threat. We are safer than we were on September 10, but as the Government's efforts reach the limits of their own bureaucracies, we have to rethink that structure so that our Nation can be even stronger, smarter, and better prepared.

I urge all my colleagues to take the measure of the task very seriously. In no uncertain terms, our work will protect the American people. I hope that we will have an open, honest, and productive discussion. While we may disagree on the minutia, at the end of the day, Mr. Speaker, we must not let the safety and security of the American people be a casualty of this debate.

□ 1915

I urge all my colleagues to support this fair rule and the underlying bill, and I will now I reserve the balance of my time.

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

Mr. Speaker, creating the Department of Homeland Security is a bipartisan idea and it remains a bipartisan priority, but building a big new 170,000 person Federal bureaucracy is a difficult project. After all, our goal is not just moving boxes around inside the government. It is to increase the security of the American people in the real world. To succeed, Democrats have reached out to work with the administration. Indeed, the entire House of Representatives has worked overtime to make sure we could get this bill to the President's desk by September 11.

On a bipartisan basis, Members have recommended a number of important, good faith changes to the administration's original proposal. Republican leaders on the Select Committee on Homeland Security unfortunately rejected many of these bipartisan improvements, and they snuck in several ideological and partisan side issues, controversial riders that, in some cases, actually threaten the effectiveness of the Department of Homeland Security.

That is why I, along with so many others, have argued from the beginning that the entire House needed the opportunity to vote on these controversies on the floor. While this rule is not as open as I would have liked, it does allow Members to address the most critical issues. Several Democratic amendments would add to the underlying bill to increase the effectiveness of new departments.

The Waxman amendment, for instance, would strengthen the White House Office of Homeland Security. According to the General Accounting Office, creating the new department will

take five to 10 years, and even after it is completed, much of the work to prevent terrorist attacks would be done in other agencies like the CIA and the FBI. The Waxman amendment would ensure that the White House Homeland Security advisor has the authority and the clout to coordinate all of these different governmental agencies to increase the security of the American people.

Additionally, the gentleman from New Jersey (Mr. MENENDEZ) has an important amendment to ensure the new department shares information with State and local first responders, the people on the front lines of homeland defense, our local police and fire.

Other amendments address the controversial provisions in the underlying bill. For instance, this bill would undercut the Freedom of Information Act. And it would harm whistleblower protections. That means that if an employee wanted to alert the public to wrongdoing in the Department, the way Coleen Rowley blew the whistle on failures in the FBI investigation on Zacarias Moussaoui, he or she might be subject to retaliation from supervisors. That is not just wrong, it is bad for effectiveness of the Department of Homeland Security.

Fortunately, the gentlewoman from Illinois (Ms. SCHAKOWSKY), the gentleman from Ohio (Mr. KUCINICH) and the gentlewoman from Hawaii (Mrs. MINK) have an amendment to fix this problem and I urge its support.

Additionally, this bill contains language that actually turns back the clock on important civil service protections that may be crucial to the ideology of some on the other side of the aisle. But it will harm the effectiveness of the new department.

Mr. Speaker, the civil service system protects Americans against a spoils system that would allow politicians to reward their friends and supporters with important government jobs. It is crucial that the Department of Homeland Security be staffed by professionals, not by cronies of whichever party happens to hold the White House.

The gentleman from California (Mr. WAXMAN) and I have an amendment to restore the Committee on Government Reform's bipartisan agreement to preserve current civil service protections for the new department. And the gentlewoman from Maryland (Mrs. MORELLA) has an amendment to ensure employees retain their collective bargaining rights unless their responsibilities change. Both of these amendments will protect existing workplace rights while preserving the national security flexibility the President needs.

So unless you want to unnecessarily weaken the current civil service system, I urge you to support them and to oppose the two amendments that the gentleman from Ohio (Mr. PORTMAN) has offered on the other side of this issue. Additionally, Republican leaders have, hidden in this bill, a provision that protects companies that sell harmful products to the public. This language, which was not requested by the President, goes well beyond current law and gives companies a get-out-of-jail free card, no matter how malicious, wanton or reckless their conduct may have been. Fortunately, the gentleman from Texas (Mr. TURNER) has an amendment to ensure companies have legal protection to invest in security technology, but without leaving the public helpless against every scam artist who claims to have a security-related product. It deserves our support.

Also, the rule make in order an amendment by the gentleman from Minnesota (Mr. OBERSTAR) that would maintain the December 31, 2002 deadline for airline baggage screening. This is a controversial issue that was added to the underlying bill by the Select Committee and was not requested by the President and it deserves full consideration on the House floor.

Mr. Speaker, I must note with disappointment, however, that Republican leaders are blocking a common sense corporate responsibility amendment by the gentlewoman from Connecticut (Ms. DELAURO), the gentleman from Texas (Mr. DOGGETT), the gentleman from Massachusetts (Mr. NEAL), the gentlewoman from New York (Mrs. MALONEY) and the gentleman from Texas (Mr. TURNER). Their amendment would make corporate tax dodgers ineligible for government contracts at the new department because if a corporation will not pay its own taxes, then it does not deserve to be paid with other people's taxes, but Republican leaders insist on protecting this loophole.

In the interest of time, I will leave it to others to discuss the other important amendments. I do want to mention a couple of additional ongoing issues surrounding the bill, however. First, we must ensure that America's immigration adjudication functions, like family reunification and adoption, operate effective, efficiently and fairly regardless of which Homeland Security Department structure becomes law, we must continue to welcome these law abiding immigrants who helped build America even as we focus on protecting ourselves here at home.

Second, Congress must honestly address the question of how much it will cost taxpayers to create this new department. The nonpartisan Congressional Budget Office put the price tag at $4.5 billion and the bipartisan leaders of Senate Budget Committee have warned that it could add significantly to future spending. Nevertheless, Republican leaders in the House cling to the fiction that they can create a 170,000 person Federal bureaucracy without spending any additional money. It is no small irony that the same Republicans who often campaign against the government now want to create a bigger Federal bureaucracy but refuse to pay for it.

Mr. Speaker, let us be honest with the American people. Our national security is not cheap and neither is homeland security. Cooking the books will only drag us deeper into debt and hurt the credibility of the new department we are creating. Make no mistake, Mr. Speaker, creating the Department of Homeland Security is a bipartisan priority, so I urge my Republican colleagues to join us in cleaning up this bill so that we can pass it with the overwhelming bipartisan majority of needs.

Mr. Speaker, I would like to take a moment to repeat something I have said on several occasions in another context. The creation of this new department is something that I personally feel very strongly about. On September 11 the plane that crashed into the Pentagon struck the office of my wife's boss. My wife is an Army officer. Fortunately, she was not in his office on that day. Her office is several miles from the Pentagon. But two people who work for my wife and her boss were killed on September 11; and I want to make sure that nothing like that can ever happen again in this country.

This country deserves the strongest possible protection against terrorist attacks. And I hope that on a bipartisan basis we will rise to the occasion and create a strong, effective new department in the next two days.

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

Ms. PRYCE of Ohio. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from the great State of Florida (Mr. DIAZ-BALART) and fellow member of the Committee on Rules.

Mr. DIAZ-BALART. Mr. Speaker, I rise today to speak on this fair and balanced rule that has been crafted to facilitate that historic act.

For weeks now the House has been working its will through committee after committee markup. The House further worked its will by agreeing to the creation of a Select Committee on Homeland Security to review the recommendations of all the committees of jurisdiction. And now the Committee on Rules has been given the task to preserve the efforts that have been made to keep this a fair and open process, and that is exactly what we have done.

The terrorists and dictators of the world who seek the demise of the United States thought that September 11 would change America, but Americans have not changed. This Nation is full of true heros. Brave men and women who love freedom and will not tolerate those who wish to destroy the freedoms we hold dear. But there has been a change the terrorists did not expect. We are reorganizing. Just as this country has done after previous disasters, we are meeting the challenges before us.

This Act reforms our response to threats at home just as we reformed the military following World War II to meet threats abroad. I am very pleased to see that a strong intelligence analysis component is included in the underlying bill so that the information

generated by the intelligence community will best serve our national security. Additionally, given the enormous flow of goods and services that we see coming through our community in South Florida, I have long been a proponent of strengthening the resources of Customs agents to support the enormous task they are entrusted with. I am pleased to see the steps taken to strengthen this role, and I will continue to work to ensure that all of our Nation's airports and ports of entry have the resources to keep America safe.

Mr. Speaker, we are meeting the challenge. I urge strong support for the rule and the underlying bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Ohio (Ms. KAPTUR).

Ms. KAPTUR. Mr. Speaker, I rise in opposition to the rule and in opposition to the underlying bill.

We do not need another Federal department. Real homeland security means economic security for our workers and our families here at home. It means good jobs. It means pensions they can depend on and it means health benefits that are there for all.

It is really interesting that the administration has put this glossy report together on this new department, which would be the third largest bureaucracy in the government of the United States, over 170,000 people, and how do we know how many billions of dollars and still counting.

Basically, this is political cover over an operational problem. We know that the CIA and the FBI did not do their job completely. We knew Osama bin Laden was the number one enemy. We did not know where he was.

Right after 9–11, what did the FBI and the CIA do? They start advertising in The Washington Post for people who could speak Arabic and Pashtun because we were not properly staffed inside the departments and agencies that should have been functioning. So now we will create another department. Does that mean they will have people who can translate? Will we have people who can do the job? Will they get the computers so they can communicate?

The FBI and CIA are not in the Homeland Security Agency where we have the problem. They are not even part of the solution. What we will get from a new department, when we most need coordination in this country at every level, we will get chaos.

I bet the people here on the floor of today have never been about setting up a new Federal department. We set up the Department of Energy. Are we energy self-sufficient today? No, we are not. We set up the Department of Education. Are our kids reading scores going up? No, they are not.

So now at a time when we need really refined targeted efforts across this world to deal with the problem that we have not faced before, we are setting up the Department, and will it have the staffing that is necessary. Just on one agency that they will try to roll in here APHIS, the Animal, Plant Health Inspection Service from the U.S. Department of Agriculture. The problem is we do not have enough inspectors at the border. Are you going to give us more money for inspectors or are you just going to ship the box over to another department?

The problem is not a new department. The problem is making the agencies that exist function. I am proud of the people in New York City.

□ 1930

We could have had 50,000 die. We had 3,000 dead. They did their job. We saved 47,000 lives in this country. Our local law enforcement people, they need training at the local level. They do not need a new Federal Department to do that. They need training moneys to go down to the locality. We do not need to cut the law enforcement budget, what this administration is doing in terms of cops on the beat.

In terms of FEMA, I do not want to put FEMA in this Department. FEMA works. It took us 10 years to fix FEMA up. So why do we want to stick it in this big agency of 170,000 people and we cannot even get direct communication to the top? We fought World War II, we did not need this Department. We defeated the Communists and the Soviet Union. We did not need this Department to do it. We fought the Persian Gulf War. Why do we need this now?

This is political cover for operational problems the administration does not want to solve. Vote against the rule and the bill.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from Texas (Mr. THORNBERRY), who has worked so hard on this issue over the years before it became something that the Nation was riveted upon.

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

Mr. THORNBERRY. Mr. Speaker, I thank the gentlewoman for yielding me the time and for her considerable contributions as a member of the select committee, as a member of leadership and as a member of the Committee on Rules.

Mr. Speaker, I rise in support of this rule. We will have a number of issues to go through, a number of amendments. I hope my colleagues can remember that what we are trying to do is create an integrated Department of Homeland Security to make us safer. This is no place for political agendas. This is no place for conspiracy theories. This is no place to be pointing fingers of blame. This is a place to work on a bipartisan basis to make this country safer. That is the only reason to create this Department and that must be its goal.

Mr. Speaker, this is an unusual procedure. It seems to be coming rapidly; but in fact, a lot of work has gone into getting this proposal together, and I want to take just a second to acknowledge some of the people who have made this possible, starting with the bipartisan Hart-Rudman Commission, cochaired by Senators Hart and Rudman, including our former colleagues Speaker Gingrich and Lee Hamilton, who took 3 years to look over the next 25 years at the security threats we face and said number one is homeland security and what we ought to do is create a new Department of Homeland Security. We are doing that.

Secondly, I want to thank my staff who has spent many, many hours on this, particularly Kim Kotlar, who has spent probably more hours working on this issue than any other person inside or outside Congress.

I also want to thank the sponsors of the proposal, the gentlewoman from California (Ms. HARMAN), the gentlewoman from California (Mrs. TAUSCHER), and the gentleman from Nevada (Mr. GIBBONS), who worked on a nonpartisan basis and a bicameral basis, along with Senator LIEBERMAN and his colleagues, to get this proposal here; and it is an example of where we have come together, many of us in the Congress, to make us safer.

Other colleagues have worked on this: the gentleman from Connecticut (Mr. SHAYS), the gentleman from Ohio (Mr. PORTMAN), the gentleman from Georgia (Mr. CHAMBLISS), and of course, the gentleman from Ohio (Mr. PORTMAN) in a variety of capacities has been invaluable.

I think we all ought to thank the Select Committee on Homeland Security under the gentleman from Texas' (Mr. ARMEY) leadership for the work that they have done; but, Mr. Speaker, I also want to thank the President of the United States because he could have tinkered around the edges and just offered a few token changes, but he took on a tough job. He said we want to do this right and that is leadership. That is the kind of leadership we expect from a President, and it is the kind of leadership we are going to have from this House over the next 2 days if we are going to develop this Department with the tools it needs to keep us safer.

I think we can do it, but I think it is going to be a challenge, and I hope that as a body we are up to it.

Mr. Speaker, I rise in support of the rule. A number of amendments will be made in order as the Speaker promised. As we go through them one-by-one, it will be important for us to remember that we must have a coherent, integrated department that works. I urge our colleagues to keep the bigger objectives foremost in our minds and considerations.

At the beginning of the debate on this bill, however, I think that it is important for me to acknowledge some of the people who brought us to this day—who, in addition to the Rules Committee, have helped prepare this proposal before us.

My colleagues have been very generous about me introducing a bill to create a Department of Homeland Security in March 2001. But, of course, I simply borrowed the idea from the Commission on National Security/

21st Century, more commonly known as the Hart-Rudman Commission. Under the leadership of its chairmen, Senators Hart and Rudman, and with the diligent work of an outstanding group of preeminent Americans as commissioners, including our former colleagues Lee Hamilton and Speaker Gingrich, who initially created the Commission, this Commission took three years to study American's national security challenges of the next 25 years. Aided by a first-rate staff that was directed by General Chuck Boyd, they concluded that our most important challenge has homeland security and unanimously recommended that Congress create a new department out of the dozens of existing agencies with some homeland security mission. It was their vision, courage, and persistence in pushing the idea which earns them the first accolades.

Going somewhat in chronological order, I want to thank my staff and especially Kim Kotlar. I suspect they thought that I was ''tilting at windmills'' when I told them a year and a half ago that I wanted to introduce a bill to create a new Department of Homeland Security. But, they swallowed their doubts and in the subsequent months have put many hours into brining that idea to reality. Ms. Kotlar, a retired Naval intelligence officer, has probably done more work on this proposal than any other person. This Congress and our entire Nation join me in owing her an enormous debt of gratitude.

Next, I want to thank the primary sponsors of the proposal in the House, Ms. HARMAN, Ms. TAUSCHER and Mr. GIBBONS. My already considerable respect for each of them has only grown during the past several months that we have worked together on this measure. I am especially grateful to my two colleagues from California that during all of the hours they refused to succumb to the temptations of partisanship. This has truly been a non-partisan cause. They have kept true to that higher calling of serving our Nation. And to them and to all of the cosponsors of H.R. 1185 and H.R. 4660, I am grateful.

I must point out that a number of our other colleagues have worked on organizational reform to fight the war on terror and have made invaluable contributions to this effort, among them are Mr. SHAYS, Mr. WATTS, and Mr. CHAMBLISS. And, of course, this effort has not only been non-partisan, it has been bicameral. I want to acknowledge and thank Senator LIEBERMAN, who has also worked on this idea for months, and his colleagues, Senators SPECTER and GRAHAM.

We should all thank and commend the Speaker for recognizing the daunting challenge before us and establishing the unique procedures to consider this bill. We should also thank Leader GEPHARDT for helping give us the sense of urgency with which we must act.

The Select Committee, under Leader ARMEY's direction, has done an outstanding job, improving the President's proposal and my original proposal in a number of important ways. I want to especially thank Mr. ARMEY and Mr. PORTMAN for their outstanding efforts to do this right and to do it fairly with a chance for all to have input.

Finally, Mr. Speaker, I want to thank and commend the President of the United States and Governor Tom Ridge. They recognized the problems we face with dozens of different agencies having homeland security responsibility. They did not try to tinker around the edges or take a poll to see what was politically possible to do. Their approach was to try to do it right—that's leadership.

And now it is up to the House to follow the President's example of leadership. I trust that we will not be found wanting.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon (Mr. DEFAZIO).

Mr. DEFAZIO. Mr. Speaker, I thank the gentleman for yielding me the time.

Never again. Never again will the United States be caught unawares and lay herself open to terrorist attack. That is certainly a principle that every Member of this House and Senate should take to mind as we move to plug the holes in our security.

Since last fall, I have supported the concept of a Cabinet-level status for the Director of Homeland Security so that he or she can get the funds, can compel the cooperation and coordination necessary among the Federal agencies, but now we are rushing through a bill to create the largest Federal bureaucracy in 50 years. Is that the proper response and answer, 170,000 employees who will ultimately some day be merged together into one joint building that will be built somewhere in the Washington, D.C., area? How will it work in the interim? Big question.

It does not deal with the two agencies most culpable and most problematic in the attacks, the FBI and the CIA, the failures of intelligence, the failures that were so much in the headlines before this Department was proposed by the White House that they changed their position.

Now it will plug the leaks that made us aware of the failings of the CIA and FBI by repealing whistleblower protections and FOIA efforts for this agency. It is going to take other effective agencies like the Coast Guard, who are doing a tremendous job with not enough resources, protecting this country and our coastline and also providing life saving and other services and merge them in. Will the Coast Guard still be able to function in that place?

This last week we heard of the failings of the Transportation Security Administration created by Congress to defend our traveling public and all modes of transportation last fall. The President fired his appointee, John Magaw, belatedly; but he did recognize his failings and fired him. They are behind schedule, over budget, and they are failing to put in place many critical aviation security measures and have even failed to begin to deal with other issues, port security and the like. They have a new head who I think is tremendous, the former commandant of the Coast Guard. He may do well, but let us give him some time there to bring it together and bring proposals to Congress.

The reaction in this bill to the failings of the Transportation Security Administration under Mr. Magaw is to waive the deadlines to provide critical explosives detection technology. Most Americans are amazed today that their baggage is not screened and the things that go in the hold of the planes are not screened. We set a deadline of the first of next year. Under this bill, there will not be a hard deadline. It will be delayed a minimum of 1 year. That means we can expect it will be 2 or more years before we can be sure there is not a bomb on the plane we are on board of. I think explosives are a bigger threat than a takeover of an airliner.

It will also waive contractor liability. Those people who failed to screen passengers adequately will be waived of liability.

If we want to commemorate the tragedy of September 11, we can do it better. We can do it by creating something that will work and defend America against real threats.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 3 minutes to the distinguished gentleman from the great State of Ohio (Mr. PORTMAN), a member of the Select Committee on Homeland Security and someone who has devoted countless hours to this cause.

Mr. PORTMAN. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE) for not just her work on the rule, which I think is a good and fair and open rule, but also her work on the Select Committee on Homeland Security and adding so much to the effort to put together a Department that really will work.

Today, we are working on a rule that will consider what I think will be one of the most important pieces of legislation this House will consider in this generation. Our votes on the floor over the next day or day and a half will determine the performance of the largest single reorganization of government in our history. That is a daunting enough task and a huge consolidation challenge; but even more important is what this is all about, the mission of this reorganization, and that is to protect our families from the shadowy threat of terror.

We have all talked about some of our personal reflections on this. All of us as Members of Congress have had our constituents affected by the terrorist attack of September 11. In my hometown of Cincinnati, we had the misfortune of having a number of people who were in New York City on that fateful day. One was a young man who grew up down the street from me, and his funeral took place at a church a few houses down from my own home. There I met his young wife and his young kids; and as I have gone through this process, I keep thinking back on them. Never, never can we let our defenses down and let this happen again.

We cannot make ourselves immune from terrorism; but we can make our country safer, and we as Members of Congress have as our most fundamental responsibility to protect our

shores and to protect the citizens of the United States; and this is what this effort is all about. This is to take this Federal effort to protect this country and streamline it and consolidate it and make sense so that indeed we can do our best as Members of Congress to respond to this threat.

It is not a partisan issue. It is not an issue that should divide us as Democrats or Republicans. It should bring us together as Americans to do our best.

I am encouraged by this rule. I want to commend the gentleman from Illinois (Mr. HASTERT), and I want to commend the gentleman from Missouri (Mr. GEPHARDT) for putting together a fair rule, 12 amendments on each side. I also want to commend the gentleman from Texas (Mr. ARMEY) because in the process of getting this bill to the floor he has led the Select Committee on Homeland Security with great distinction. It has been an open and fair process.

I also want to thank the standing committees because they all gave input to the Select Committee on Homeland Security. They did it in an expeditious way but also a thoughtful way.

What we ended up with, the underlying bill on the floor before us today that this rule will govern, is a good piece of legislation because it does create the kind of Department we need, and what kind of Department is that? One that has the flexibility and the agility to respond to this enormous consolidation challenge, 22 different agencies and personnel systems, but also the enormously difficult challenge of responding to the actual and deadly threat of terrorism.

I would urge, Mr. Speaker, as we go through this process that we retain those flexibilities, the flexibility to manage, the flexibility to budget, the flexibility on personnel, so that indeed we can as Members of Congress say that we have done our best, our very best to be sure that the Federal Government in every way possible is responding to the threat of terrorism and that we have the most efficient and effective way to do so.

The rule that creates this Department deserves our strong support, and I urge it on both sides of the aisle.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Speaker, I think the record shows that I have tried to be extremely cooperative with the White House and everyone else involved in dealing with the aftermath of September 11. Within a week after we were hit, I helped, along with the gentleman from Florida (Mr. YOUNG), push a $40 billion supplemental through this place to give the President virtually all the money he needed to deal with the problem.

I appreciate the fact that the committee has corrected a number of problems with the original draft. I think that was very useful, but I am afraid that what we are about to do will actually in the end weaken our ability to respond to terrorist attacks.

This bill will still do nothing about the central problem of the FBI and its relationship with other intelligence agencies. This bill will create an additional lack of focus by the new Department that we are about to create; and I would point out that it is, in fact, parading around under false pretenses. It is called a new Department of Homeland Security, but in fact, at this point, there are 133 agencies and offices that have some responsibilities with respect to homeland security. This bill takes 22 of them, containing 170,000 employees, lumps them into one Department and says it is a Department of Homeland Security.

My question is, Who is going to coordinate the 111 offices and agencies left out? In my view, that is the central question which is not being answered by the legislation; and until it is, we are likely to, what the GAO told the committee, we are likely to have 3 to 5 years of absolute chaos.

It also does not do something about the principal problem that we still face. After September 11, I talked to every intelligence agency in this town. We discovered literally thousands of pages of documents lying on floors, sitting on file cabinets, sitting on people's desks of raw data, raw intercepts, not looked at by anybody. We need new translators. We need a reshaping of the FBI. That is not happening in this bill; and until it does, we are going to be making a significant mistake.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 3 minutes to my distinguished colleague, the gentleman from Georgia (Mr. LINDER), a valued member of the Committee on Rules.

□ 1945

Mr. LINDER. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise in support of both the rule and the underlying legislation, H.R. 5005. This is a fair rule that will allow the House to work its will on the Homeland Security bill.

First and foremost, Mr. Speaker, I think we should all say thank you to our distinguished majority leader, the gentleman from Texas (Mr. ARMEY), and the Select Committee he headed. They have done a first-rate job under very difficult circumstances, and for that the people of this Nation owe them a debt of gratitude.

For 200 years, we have been the most open, casual, and free Nation in the history of the world. We had the most powerful military in the world and our economic strength was challenged by no other. Our people enjoyed civil freedoms and liberties of which other citizens could only dream. I daresay we took it for granted that we are Americans. September 11 changed that forever. Because of that day we feel and are vulnerable. Because of that day, we feel helpless.

In 1777, John Jay, America's first Chief Justice of the Supreme Court, and a vigorous defender of the Constitution, wrote, ''Among the many objects to which a wise and free people find it necessary to direct their attention, that of providing for their safety seems to be the first.'' Today, we have the opportunity to make things right. The Homeland Security Act of 2002 provides us with a chance to uphold what the Founders considered to be the Federal Government's highest responsibility, to protect the people of this country.

We will have a whole new list of heroes to look forward to. They will be first responders, firefighters, police officers, State troopers, and EMTs. They will be on the front lines here. All of us have in our memories seared images of heroism. Whether it was the doughboys at Vimy Ridge, or the Marines putting up the flag over Iwo Jima, or the boys at Pointe du Hoc climbing that treacherous cliff at Normandy under withering machine gun fire, only to take Europe and free it in 11 months.

I have a new image of that heroism. It is the image of 50,000 people scrambling in utter fear out of burning buildings for their safety, and another group of Americans in firefighter uniforms running into those buildings to save them. Those are the ones that this homeland security bill will start to look toward to get support for.

We must remember that no one department has been clearly entrusted with the security of this country. All will be involved. As such, I stand with the President and his efforts to create a new Department of Homeland Security. I support this bipartisan measure. I urge my colleagues to do the same to ensure that our Nation is prepared, and that the freedoms and liberties we hold dear are never threatened again.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. HASTINGS), a member of the Committee on Rules.

Mr. HASTINGS of Florida. Mr. Speaker, I thank the ranking member, the gentleman from Texas (Mr. FROST), for yielding me this time.

Mr. Speaker, I rise in lukewarm support of this rule. Even though over 100 amendments were submitted to the Committee on Rules, only 26, barely one-fourth of them, will be considered under this rule. I find this disturbing in light of the fact that a great many of the recommendations submitted by our subject matter experts were not included in the chairman's substitute.

I am speaking about the subject matter experts on the Committees on Government Reform, International Relations, Appropriations, Armed Services, Energy and Commerce, Financial Services, the Judiciary, Science, Transportation and Infrastructure, and Ways and Means.

Now, I am proud of the fact that there was an opportunity to come together on this matter and to make it bipartisan. But an open rule would have ensured that the knowledge of these persons and their expertise were given due consideration by this body.

Some of the topics we will not be debating because of this rule include an amendment prohibiting the Department from entering into contracts with companies who incorporate outside the United States to avoid paying taxes; an amendment urging States to cooperatively develop uniform standards for State driver's licenses; and, finally, one of my amendments, which would have stricken language that grants the Secretary the unprecedented authority to prohibit the Inspector General from investigating fraud and abuse within the Department.

The rationale for this authority is that such investigations might compromise our national security. The Inspector General Act of 1978 applies to every major department in the executive branch, including the CIA and the military departments. To date, no one from these departments and agencies has come forward saying that the autonomy of the Inspector General constitutes a threat to national security. It is ludicrous to me that the Secretary of the new Department would be exempt from laws that all other Secretaries and directors must comply with.

Regrettably, under this rule, we will not have the opportunity to debate these matters. It should be obvious, when looking at the number and diversity of the amendments submitted, that this bill, as written, quite frankly, is not ready for prime time. If ever there was legislation that demanded an open rule, this is it. There is no stronger evidence of that than the fact that the chairman of the Select Committee himself has submitted three en bloc amendments to his own amendment.

Mr. Speaker, in closing, let me say that this is the most important legislation of the 107th Congress to date. We are reorganizing the Federal Government and creating a new Department. We have never, to my recollection, undertaken such a daunting piece of legislation hampered by the restrictions this rule places on us.

The American people are counting on us to create a Department that will do three things: Prevent terrorist attacks, reduce our vulnerability, and minimize the damage from attacks that do occur. It is not good for our constituents or our colleagues on the committees of jurisdiction to limit the number of amendments made in order.

Ms. PRYCE of Ohio. Mr. Speaker, I am very pleased to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. GEKAS), the chairman of the Subcommittee on Immigration, Border Security, and Claims of the Committee on the Judiciary to testify on the Hastert-Gephardt rule.

Mr. GEKAS. Mr. Speaker, I thank the gentlewoman for yielding me this time.

As everyone knows, the Judiciary has, for almost 2 years now, been working on the expected division of labor in the Immigration and Naturalization Service. On the one hand, we want to streamline the enforcement part of Immigration and Naturalization Service while, at the same time, giving due attention to the process, naturalization and immigrant services, on the other side.

I am happy to report that the rule that we are considering now would allow debate, eventually, on the plan of the Select Committee on Homeland Security to take the enforcement border security portions of the Immigration and Naturalization Service and make it a part of the new Cabinet level of Homeland Security, while leaving in the Justice Department those functions to which we have alluded as being immigrant services, naturalization, process, et cetera.

This, in one fell swoop, accomplishes the bifurcation purpose with which we started this term's deliberations on the structure of Immigration and Naturalization Service. So we are in a position, even though the Attorney General and the director of the INS have on their own shifted the boxes around in the Justice Department between enforcement and process, and even though the Committee on the Judiciary has moved on its own to bifurcate the two segments of INS, we now are in a position to sanctify the whole process by incorporating that same bifurcation in the Department of Homeland Security.

I am pleased, then, Mr. Speaker, to support the rule and the underlying bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. HARMAN).

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

Ms. HARMAN. Mr. Speaker, I thank the gentleman for yielding me this time, and I commend him for his excellent service on the Select Committee.

Mr. Speaker, today we address a critical piece of the strategy to protect our homeland. Paraphrasing Dwight Eisenhower, ''The right organization does not guarantee success, but the wrong organization guarantees failure.'' I would add that no organization, no organizing principle, guarantees chaos, a waste of scarce resources, and, ultimately, continued vulnerability.

The strategy is to prevent another 9–11, to shore up vulnerable infrastructure, and make certain we can respond, if necessary, with maximum effectiveness. We do this by giving the dedicated, capable people in the field the tools and structure to do the job.

A note on the history of this proposal. Last October, shortly after 9–11, the gentleman from Nevada (Mr. GIBBONS) and I, with numerous bipartisan cosponsors, introduced legislation to create a statutory office in the White House to coordinate and oversee homeland security. We felt the executive order establishing Governor Ridge's office was inadequate to coordinate more than 120 agencies and departments with some jurisdiction over homeland security.

Events have proved us right. Our colleagues, the gentleman from Texas (Mr. THORNBERRY) and the gentlewoman from California (Mrs. TAUSCHER) took a different approach, recommending the creation of a homeland security department of the sort recommended by the Hart-Rudman Commission in March 2001.

This May, the four of us and a bipartisan group from the other body melded our approaches. We proposed a Department of Homeland Security smaller than the one envisioned in H.R. 5005, and a strong White House counterterrorism coordinating office. Then, in June, the President unveiled his approach, that, in the version reported by the Select Committee, places all or part of 22 Federal agencies in a new Department of Homeland Security.

The bill also creates a Homeland Security Council in the White House, modeled after the National Security Council, to coordinate homeland security efforts across the Federal Government. The administration's proposal is a variation of our earlier bill, and I am pleased to be an original cosponsor.

Looking forward, rather than just describing more of what is in the bill, I would note several improvements in the base bill and in the manager's amendment and several amendments to be adopted and supported by the manager.

First, the establishment of a statutory Homeland Security Council in the White House. Second, the creation of a point of entry for thousands of companies with cutting-edge homeland security technologies, which must be deployed if our homeland is to be safe. Third, an amendment that passed the House 422 to 2 that requires the sharing of critical and reliable threat information across the Federal Government and down to State and local first responders. And, fourth, a sense of Congress underscoring the priority to fund trauma care and burn care with already appropriated bioterrorism money.

Mr. Speaker, as a mother of four, I know that perfection is not an option. The bill is not perfect. But it is very good, and I urge support of this fair rule and adoption of H.R. 5005.

Ms. PRYCE of Ohio. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Pennsylvania (Mr. WELDON), a member of the Committee on Armed Services.

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I thank our colleagues on both sides of the aisle for putting together this piece of legislation. I fully support it and support the rule which is before us.

I will have some comments about some of the amendments, but I wanted to stand up and set the stage as far as I am concerned for the legislation.

I have been in this body for eight terms, Mr. Speaker, and during those

eight terms, my number one priority has been to focus on emergency response locally. I have been to every disaster the country has had in the last 16 years: Loma Prieta, Northridge, Hurricane Andrew, Hugo, the Murrah Building bombing in Oklahoma City, the World Trade Center in 1993, and I was at Ground Zero on September 13. I went there to try to get lessons that we could learn from the needs that we have to respond to both natural and manmade incidents of disaster. Those needs are, in fact, addressed by this bill, except perhaps in one case.

The number one overriding need is coordination of intelligence. Five years ago we proposed in our defense bill the creation of a national data fusion center. Unfortunately, while this agency calls for one focus on coordinated intelligence, it does not give the teeth necessary to force the FBI and the CIA to become totally involved, and it is going to require additional work. But intelligence is in fact an overriding priority for us to detect emerging threats.

The second, and perhaps most important, priority for our first responders is communication. We have no integrated system of communication for our first responders nationwide. Local fire and police cannot talk to each other. That is unacceptable. This legislation deals with that issue in a real way.

The third major priority is support for the first responder. Mr. Speaker, the first responder on every disaster in this country, be it natural or manmade, will not be the National Guard, will not be the FEMA bureaucrat, will not be the Marine Corps Seabird team. The first responder in every case will be someone from the 32,000 fire, EMS, and law enforcement departments who will be there when that terrorism act occurs or when that disaster occurs.

And as we develop this legislation, I would ask our colleagues to keep in mind that that should be our underlying principle; that we empower the first responder. They know what to do. They have been handling chemical plant fires and other disasters for years. Our job must be to empower them with the support they need.

I thank our colleagues and urge support for this rule and for this legislation.

□ 2000

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. KUCINICH).

Mr. KUCINICH. Mr. Speaker, we all want America to be more secure. The American people are entitled to it. We need to eliminate fear and insecurity in our post-September 11 Nation, but this bill will not accomplish a more effective defense of our Nation because there has been no analysis, no risk assessment, no sense of the actual causes of insecurity, no justification for sweeping changes in 153 different agencies.

Nothing in this bill will accomplish security superior to what those 153 agencies can now accomplish through strong leadership. Furthermore, it has been 16 hours since this House passed an amendment to the intelligence authorization bill which will establish a national independent commission to investigate September 11. We will have a new Department with 170,000 employees to respond to 9–11, and yet the commission that will analyze 9–11 has not even begun its work. That is quite a feat.

Meanwhile, 170,000 new people in this Department, no idea of how the organization will integrate, 10 years for the Department to be up and running, in the meantime, I predict the reorganization itself will represent a threat to the security of our Nation because it will induce paralysis and administrative breakdown.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri (Mr. BLUNT), the deputy whip.

Mr. BLUNT. Mr. Speaker, I thank the gentlewoman for yielding me this time, and for her work on the Select Committee, along with all other Members who served on the committee, and certainly the majority leader who led the committee, which allowed all of the other committees to make recommendations.

This rule, a rule brought to the Committee on Rules by the Democratic leader, the gentleman from Missouri (Mr. GEPHARDT), the gentleman from Illinois (Speaker HASTERT), let all of those issues be discussed again on the floor. This has been a speedy but thorough process led by our Speaker, high cooperation from the minority leader, and certainly the committee itself led by the majority leader to get this bill to the floor.

I just heard a suggestion that somehow this would confuse administrative lines of control and decisionmaking. I think just the opposite. The whole idea of a homeland security agency is to do away with that confusion. At a time when people need to respond, they need to know who makes the decision to respond. When there are people on the ground, they need to know the exact chain of command.

We do not need people from six agencies all trying to respond in the same time in the least effective way. We need the Federal Government responding at the same time in the most effective way. This agency ensures that. We will have debate on the future of FEMA. FEMA should be part of a homeland security agency. Whether it is a natural disaster or a terrorist-created disaster, much of the response would be the same. We would hope that FEMA would get its practice responding to natural disasters, but it will get that experience and that ability to respond so if we do have a terrorist disaster, we have an agency that is well prepared to respond to disasters. FEMA needs to be in this agency. The rule allows a vote on that very question.

We need to have great flexibility with personnel so that Federal personnel is used where, when and how it is needed, and those decisions can be made in the way that least impacts the disaster, and best responds to solving that disaster. The deadlines that have been created for airports, we get a chance in this rule to discuss that, but deadlines that cannot possibly be met need to be viewed in a way that allows us to responsibly do our job.

Many Members after September 11 thought that we needed to think long and hard before we decided to create a new agency like this. Well, we have thought long. We have thought hard. The President has set the mark by saying we need this agency so we can respond in an appropriate way, we can plan in an appropriate way, and the decisions are made in a way that people know who makes that decision.

Mr. Speaker, that is why I urge the support of this rule, support of the bill, and we need to get on with this business and get this job done so we can begin to organize the Federal Government in a way that best meets the challenges we face.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks, and include extraneous material.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, a few days after the tragedy of September 11, a day that none of us will ever forget where we were, and those of us in the United States Congress had a firsthand view of the billowing smoke from the Pentagon, we knew that we had to turn a page in America's history and begin to look at life differently.

In the course of doing that, I drafted legislation that my colleagues joined me in to help prioritize the Federal relief and support for those children who had lost one parent or two parents in that tragedy on September 11. I remember meeting the Calderon family, two babies who had lost their mother.

And so I come to the floor today to discuss this rule in the context that there cannot be or should not be a place for conspiracy theories or politics, as was said by one of the Members on this floor, but I truly believe that we can and should have been able to do better.

This bill was marked up. The framework came to us from the White House very expeditiously by the committees of jurisdiction, but in the mark of the Select Committee, and I thank the chairman, the gentleman from Texas (Mr. ARMEY), the ranking member, the gentlewoman from California (Ms. PELOSI), and the members of the Select Committee, in addition to the gentleman from Texas (Mr. FROST), came a bill of 200-plus pages. I believe it warrants the deliberate study that would make this a better bill.

This bill does not have whistleblower protection. I believe it could have better communications. Even though it

deals with first responders, I believe it could do better.

From the expertise of the Subcommittee on Immigration, I am disappointed that this body saw fit not to allow at least minimally a debate on how the immigration department should be structured. Interestingly enough, the amendment that I offered to establish a division 5 is the exact same format that the other body passed today out of the Committee on Government Reform. It includes a division of immigration affairs, and it includes enforcement and immigration services as one, not to put the immigration services in the Department of Justice, making it a stepchild with no funding because the other body recognizes that the two are intertwined, and they must be able to speak together.

Mr. Speaker, suppose a person is applying for asylum and goes to the Department of Justice and Immigration Services, but his brother is caught by the Border Patrol in the Department of Homeland Security and they give that person another decision, this is not the way to run a government or to secure America.

Interestingly enough, a division that would have comported with the format that the President presented the divisions and the way that they structured the immigration services is not done by this bill.

My amendment would have had the children being addressed by the Department of Justice.

Finally, here we are dealing with homeland security, and we have NASA, an amendment that was passed by the Committee on Science to help NASA collaborate with technologies and research with this new Department, an amendment that was rejected by this Committee on Rules and this rule.

I do not know how we can consider this a bipartisan process if we leave a whole body of research that NASA has out of the ability to help us secure our homeland. I am very glad to see that some component of an amendment I had dealing with minorities and small businesses has been included, but still we have a problem with the kinds of benefits for civil service employees and an amendment dealing with avoiding kickbacks, whistleblower protection, protection of minorities and small businesses, and the prohibition of contracting with individuals who have been convicted of contract-related felonies has not been included.

Mr. Speaker, we could and can do better. I ask Members to vote against this rule because we can do better for the American people.

I am disturbed at the lack of deliberation and due process characterized by the rule put forth by the Rules Committee. I prepared six amendments to be considered for H.R. 5005 only that would have added to solving some of the difficulties of this large department. This process should not be a narrow process but rather an inclusive process to strike at the heart of terrorism.

AMENDMENT TO H.R. 5005, THE DEPARTMENT OF HOMELAND SECURITY CREATING A FIFTH DIVISION OF IMMIGRATION AFFAIRS

This amendment creates a fifth division to the Department of Homeland (DHS) consistent with the President's Proposal and the bill reported by the Senate Governmental Affairs Committee to the full Senate, and has the best chance of becoming law. It is imperative, as this House confirmed in H.R. 3231, that immigration services and enforcement stay in tact. Services and enforcement are clearly intertwined because it is vital that they talk with each other. It is important for there to be consistent decisions made on immigration issues. For example, the asylum seeker may present his case to the immigration service division in DOJ and get a different ruling by his brother who may have been picked up by Border Patrol and received a decision for DHS.

This is bad policy and does not help those aliens seeking to follow the law. We can balance the services and the security needs and provide an effective revenue stream to fund these divisions. If DOJ services are separated from enforcement they will be treated like a stepchild without any support.

The Jackson-Lee Proposal would create a fifth division within the Department of Homeland Security titled the Division of Immigration Affairs. This division could house three subdivisions titled; (1) Border Security; (2) Immigration Services and (3) Visa processing. My amendment envisions having the entire INS (a) pulled from the Administration's Border and Transportation Security division; (b) placed in its own division headed by an Undersecretary for Immigration Affairs; and (c) restructured as envisioned by H.R. 3231, the House INS restructuring bill.

My amendment is consistent with the Hyde-Berman amendment, which passed during Judiciary committee markup and is endorsed by the Select Committee, is the preferred alternative and consistent with the Administration's proposal. This proposal allows the administration of visa issuance function to be carried out by State Department employees with the oversight and regulatory guidance of the DHS.

My amendment also includes the Lofgren-Jackson-Lee amendment language, which will allow the Administration for Children and Families (ACF) within the Department of Health and Human Services to be the lead agency with responsibility for unaccompanied alien children.

AMENDMENT TO H.R. 5005, THE DEPARTMENT OF HOMELAND SECURITY TREATMENT OF MINORS DETAINED BY THE DEPARTMENT OF HOMELAND SECURITY

Another amendment I wanted to offer concerned the treatment of Minors by DHS. Minors may, for myriad reasons, come within the custody of the DHS. This Amendment would simply ensure that minors in custody of the DHS, whether they be aliens or minors from the United States, are provided access to independent counsel within 24 hours and the DHS endeavors to make contact with a parent or guardian within 48 hours. The amendment further requires that the DHS take affirmative action towards assisting the minor in contacting the minor's parent or guardian.

Legal permanent resident and U.S. minors may come into the custody of the Department of Homeland Security for many reasons. For example, if the Coast Guard takes a vessel into custody with children on it, these minors may end up in the custody of the DHS. These minors should guaranteed minimal procedural protections. My amendment simply made this explicit.

CONGRESSWOMAN SHEILA JACKSON-LEE NASA AMENDMENT TO H.R. 5005

I also wanted to offer a NASA Amendment. The Secretary of Homeland Security should not re-invent the wheel. If expertise and resources have already been developed at taxpayer expense, and exist in federal agencies, they should be put at the disposal of the Secretary.

NASA is a leader in satellite and information security. NASA has developed hardware and software that would help make us less vulnerable to cyber-attacks, that could cost billions of dollars and risk many lives by compromising our infrastructure.

My amendment would simply have NASA create an office which would catalog resources available at NASA that might be used in the fight against terrorism, and make them available to the Secretary of Homeland Security through reimbursable consultation or contracts.

This common sense amendment could save millions of dollars by reducing redundancy, and could expedite the process of getting our nation prepared for the challenges ahead.

It would be tragic if an attack occurred, while the technology to prevent that attack were readily available at NASA.

OTHER TRANSACTION AUTHORITY LIMITATION AMENDMENT TO H.R. 5005 OFFERED BY SHEILA JACKSON-LEE

The bill as it stands gives ''other transaction authority'' to the Secretary. This authority allows the Secretary to bypass many good government provisions that regulate the use of independent contractors.

This authority may be necessary in order to streamline research and development, and pilot projects deemed essential for homeland security. However, some of the regulations on federal contracting, reflect decades of accumulated wisdom, and would be absurd to discard.

My amendment would NOT block the Secretary's use of ''other transaction authority.'' It would simply preserve a few common sense aspects of federal procurement law.

It would stop people who were convicted of contract-related felonies from getting more contracts.

It would protect the abilities of small and minority-owned businesses to get contracts.

It would block the kickbacks that plague the contracting industry.

It would block the use of taxpayer dollars going to contractors from being used to lobby the federal government for more contracts.

And it protects workers who blow the whistle on fraud and abuse at contracting companies.

If while consolidating different agencies into the Department of Homeland Security, we start removing the good government provisions that have made those agencies work well in the past—we run the very real risk of making the Department much less than the sum of its parts. The American people deserve better.

AMENDMENT PROVIDING SPECIAL ASSISTANT TO THE SECRETARY OF HOMELAND SECURITY TO PROMOTE THE USE OF SMALL AND DISADVANTAGED BUSINESS

My next amendment provides for a Special Assistant to the Secretary of Homeland Security to promote the use of women and small business concerns owned and controlled by socially and economically disadvantaged individuals. The present legislation does not address the issue of small business.

My goal is to provide a holistic approach to small businesses. Not just covering the employees but encouraging the creation of small business. Small businesses are losing an increasing number of federal contracts to bigger business, according to recent data compiled by the Small Business Administration. Overall federal contracting dollars fell from $202 billion in 1995 to about $190 billion in 1997, a 5.9 percent decrease. But small businesses saw a 6.8 percent decline in federal contracts.

Business in cities all over the nation are suffering cuts in 8(a) contracts. In the Phoenix area, $30 million in contracts were awarded to minority and women-owned firms through the SBA's 8(a) program in 1995. That number dropped to $19 million in 1997. Similar firms in the Baltimore area saw contracting dollars plummet from $250 million in 1995 to $172 million in 1997.

More than one-half of minority women-owned firms (59%) are in the service sector, which also had the greatest growth (33 percent between 1997 and 2002). Other industries with the greatest growth were transportation/communications/public utilities (21%) and agriculture (7%).

The 10 states with the greatest number of minority women-owned firms in 2002 are 1) California; 2) New York; 3) Texas; 4) Florida; 5) Illinois; 6) Georgia; 7) Maryland; 8) New Jersey; 9) Virginia; and 10) North Carolina.

Despite growth, the impact of the economy on minority-business development resulted in difficulty for entrepreneurs hoping to raise capital, something the MBDA is contending with, says Langston. According to a 1999 report by the BLACK ENTERPRISE Board of Economists, of the $4.2 billion invested through Small Business Investment Companies (SBICs), $4.09 billion went to majority firms and other $128 million went to minority firms. By appointing a Special Assistant small business will have a voice in the Department.

CIVIL SERVICE PROTECTIONS

I would also like to express my strong objection to the denial of basic civil service protections for the thousands of federal workers who would be transferred to the proposed department for homeland security.

Quite frankly, I believe that the current proposal would allow for arbitrary and unfair treatment of federal employees under the guise of increasing ''flexibility.'' I find it hard to understand why federal employees whose responsibilities are the same today as they were on September 11th, when they responded with courage and dedication, could lose civil service protections just because the government's organization chart may change. How can the American public feel that their homeland is secure if the federal employees of the new department do not even feel that their jobs are secure? Moreover, I would argue that civil service protections are an invaluable resource that allow federal employees, like the FBI's Coleen Rowley, to bring bureaucratic failures to light. Stripping workers of their collective bargaining rights and whistleblower protections would compromise the very structures that help to ensure we meet the desired goal of reducing our vulnerability to terrorism.

I cannot overstate my adamant support for maintaining civil service protections in the new department. These protections should not be altered or revoked merely because federal employees suddenly find themselves working under the umbrella of a different department. I urge you to guarantee that, as this important piece of legislation makes its way through this committee, current civil service protections are not limited in any way. This issue is fundamental to my support for the creation of a new department.

CONCLUSION

The final outrage of this process rests in the fact that this bill gives unbridled attention to the needs of special interest concerns over the needs of the people. This bill give corporations that contract with the DHS undue protection from lawsuits for faulty and dangerous products. In this time of corporate irresponsibility, Congress should be doing everything to encourage the best behavior of corporate contractors, not giving them product liability protection.

The creation of the DHS is a chief priority of the Administration and Congress has been asked to act in a very short time. The integration of functions across many different agencies is a difficult task and the time we have spent on this important task is insufficient. I fear that we will revisit this matter many times in the future.

In closing, I would add that the Judiciary Committee has unique expertise in the oversight of Justice Department functions that will be integrated into the DHS. This expertise should be preserved in order to assure that those functions integrated from the DOJ remain effective within the DHS.

Thank you Mr. Speaker.

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this has been a very long process. We had a lengthy markup in the committee lasting approximately 10 hours. We have had a lengthy hearing before the Committee on Rules. We have had negotiations on a bipartisan basis over the rule. This is not a perfect rule, but it does preserve the minority's right to offer most of the amendments that we sought. We would have preferred that we would have been given the opportunity to offer the DeLauro amendment.

This is a very serious matter. It is in the interest of our country that our citizens be safe, and it is in the interest of the country that this House operate on a bipartisan basis. I believe we have been given that opportunity by the majority tonight. And while this is not a perfect rule, I urge the adoption of the rule so we can proceed to the consideration of the bill on the floor this evening and tomorrow, and so we can complete this very important piece of legislation before we adjourn for our August recess.

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

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have heard the beginning of what I believe will be a very broad and worthwhile debate on how best to secure our beloved country. There is universal recognition among my colleagues that our Nation is a different place than it was just 10 months ago, and our government must reflect that new reality.

While the steps that we take today are a simple reorganization of existing governmental functions, we should not doubt that our work will directly serve the freedom, the liberty and the way of life of all American people.

I urge Members to take measure of the task that we have before us, support this fair and open rule and the underlying bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ARMEY), the chairman of the Select Committee on Homeland Security, who led us through this process with great decorum and statesmanship.

Mr. ARMEY. Mr. Speaker, I thank the gentlewoman for yielding me this time. I thank the gentleman from Texas for his participation in this debate, and thank the Committee on Rules for bringing this rule to the floor.

Mr. Speaker, when the President of the United States called us, the bicameral, bipartisan leadership of the Congress of the United States, to the White House on June 6 of this year and laid before us a plan to create a department of homeland defense for the American people, we all instantaneously recognized this as a large and daunting task.

When the House minority leader, the gentleman from Missouri (Mr. GEPHARDT), publicly suggested that we should not only undertake this daunting task but should complete it by September 11, we all realized that, too, would be even more daunting, but the President of the United States jumped right up and saluted that date. So we developed among ourselves in this body and the other body a resolve to do everything we could to make that date. I do not know whether we will make it or not, but I know we will make a good effort.

The President of the United States sent to us a good proposal, a proposal that has served as a useful template for the legislative processes of this Congress, of this House. But with respect to that template, that proposition, the Speaker of the House made, I thought, the most generous and inclusive decisions regarding how we should proceed.

The Speaker of the House recognized that there were 12 standing committees of this body that would have appropriate and necessary jurisdiction with respect to this legislation, should it be developed, and he saw to it that each of these 12 standing committees worked their will on the legislation.

□ 2015

If we take the membership of the Committee on Ways and Means, the Committee on Appropriations, Committee on the Judiciary, Committee on Agriculture, the Committee on International Relations, the Committee on Government Reform, the Committee on Transportation and Infrastructure, Committee on Financial Services, Permanent Select Committee on Intelligence, House Committee on Armed Services, and Committee on Commerce, and Committee on Energy and

Science, we would probably have at least two thirds of the Members of this body having served on a committee that exercised jurisdiction over this bill. I cannot imagine any piece of legislation produced in this body in my 18 years that had so large a percentage of the body's hands on the legislative process. What could be more inclusive than that?

But that inclusivity was not, in itself, enough to satisfy the Speaker's desire that this be an open, inviting, and inclusive process. He then arranged that these 12 different select committees would report their work to a select committee comprised of Members of the leadership of both the Republican and Democrat party. And we digested the work of these 12 different committees after we had had hearings that included virtually every member of the cabinet that had anything to do with this, each of the chairmen and ranking members of each of these committees, and we had a very special hearing that included a group that I like to call the bipartisan innovators in the body that had presented themselves to this task long before it was conceived by the President, the gentleman from Texas (Mr. THORNBERRY), the gentlewoman from California (Ms. HARMAN), and the gentlewoman from California (Mrs. TAUSCHER) and of course the gentleman from Nevada (Mr. GIBBONS) whose work was invaluable to us as we proceeded.

The Speaker, when he set up this process and invited us to go to work, agreed that there would be a rule that would govern our proceedings, that would be a product of the joint recommendation of himself and the minority leader. And at the conclusion of our event, 102 amendments were offered for consideration to the Committee on Rules. The Speaker and the minority leader have spent the last 48 hours digesting these, structuring these, negotiating, and have given us this rule that defines the content of 27 opportunities to amend this legislation and the structure of the rule.

Mr. Speaker, I can think of no time ever in my time as a Member of this body when we considered anything whatsoever under procedures, jurisdictions, participations that were broader and more bipartisan and more inviting and more inclusive than this. In the close of business this day and the next, we will produce a bill for the Department of Homeland Defense, and it will be a bill that will have had, in terms of participation in the writing of chapter and verse, the participation of virtually every Member of this Congress.

May I say on behalf of the body, Mr. Speaker, thank you, thank you for understanding, Mr. Speaker, how serious this business is, how important it is to the Nation, and thank you for making it possible for each and every one of us on both sides of the aisle to know that we were respected, included, and participated in this process. No Speaker ever in the history of the House showed a greater respect for the House Members than our Speaker, Mr. HASTERT, and if I may again say on behalf of all of us, Mr. Speaker, thank you for being the fine man you are.

You are, Mr. Speaker, a fine servant to freedom, and that is the kind of governance we should have in this House. I ask that we vote this amendment out of respect to the generosity and inclusiveness of the Speaker who made it possible.

Mrs. MALONEY of New York. Mr. Speaker, I rise today disappointed that the Rules Committee would not allow an amendment that would have provided the new Department of Homeland Security with the tools that are necessary to appropriately respond to a terrorist attack or another Homeland Security Emergency.

The amendment that I speak of is one that I offered in the Committee on Government Reform, where it passed by a unanimous vote.

Government Reform is the Committee that had primary jurisdiction in the creation of this new department, yet much of its wonderful bipartisan work was unexplainably rejected by the Majority, was not allowed in today's Bill and is not even being allowed a chance to be debated on the floor today.

Obviously, prevention needs to be our and the Department of Homeland Security's number-one priority, and we must do everything possible to prevent all future attacks.

However, there are two major priorities for homeland security—not only preventing terrorism, but also responding to the impacts of terrorism should it occur again.

With this reorganization, we seem to have only focused on the first.

If a fail-safe system cannot be created, then why are we being blocked today from taking the lessons learned from the worst terrorist attack in American history and using the research of GAO, CRS and the NY Federal Reserve to create an improved system of response?

Experience is often the best teacher and very regrettably, New York learned much on 9/11.

The bipartisan amendment that I introduced recognized the need to improve the nation's response should we have another attack.

My amendment does exactly that.

It gives the Secretary the authority to respond quickly following a homeland security event and eliminates much of the redtape New York experienced after 9/11.

These are things that when they need to be done, they need to be done quickly. If they are not done quickly then the challenges to the affected areas significantly increase.

I must stress that all of these options are at the discretion of the Secretary.

I cannot imagine why the Majority would not allow the opportunity to give the Department of Homeland Security the ability to respond and provide aid to schools, hospitals and local governments that may need it.

We know from September 11th that there's a great deal of room for improvement in response and recovery operations.

While the hearts of Washington were 100% behind New York's recovery, the system was not adequately prepared to get the job done.

The series of complications and delays in federal relief efforts for New York City show a real need for expanded authority and flexibility in disaster recovery operations.

I think we can all agree that delivering immediate aid, to the right people, at the right time, is and will always be our top priority.

It's painful to think that thousands of people, in any of our districts, could once again be left without assistance because of outdated rules and inconsistent procedures.

Sadly, America experienced a major disaster we can learn from, showing in some cases what works, and in many cases, how not to respond.

My amendment learns from the past and prepares for the future.

Enclosed are materials on my amendment. Although my amendment was not included, I do support the rule and underlying bill.

Ms. PRYCE of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3763) ''An Act to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes.''.

The message also announced that the Senate has passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5121. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5121) ''An Act making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DURBIN, Mr. JOHNSON, Mr. REED, Mr. BYRD, Mr. BENNETT, Mr. STEVENS, and Mr. COCHRAN, to be the conferees on the part of the Senate.

LEGISLATIVE PROGRAM

(Mr. ARMEY asked and was given permission to address the House for 1 minute.)

Mr. ARMEY. Mr. Speaker, it is my intention, my hope, that we can make progress on this legislation this evening such that would enable us to complete this work this week. It would turn out, I would think at this point, that it would be very difficult for us to anticipate completing our week's work in time to make planes to return to our districts tomorrow or tomorrow evening, but we could, I think, if we are prepared to work late tomorrow,

complete all the work we need to do in order to make our early planes on Saturday morning to begin our district work period and have time with our families. But in order to do that, we must move forward tonight on this.

What I would propose to the body is that we follow this procedure in the interest of giving Members at large the maximum opportunity to make progress on the bill and still indeed make rest for themselves for the long and arduous day we are certain to have tomorrow:

That we proceed now with the general debate and that we begin to work on amendments. It is my recommendation that, as we work through amendments, we roll votes through the Shays/Watson amendment No. 23. That would enable us to come in in the morning, pick up those votes that have been rolled from tonight's work, and complete the work on this bill tomorrow.

I should also mention to the body, we should expect to work late tomorrow night to complete consideration of this bill, but we will also have at least one other, perhaps two other important legislative opportunities that this body will want to consider because the opportunity is here to do indeed additional good things, for example, quite possibly, complete consideration of the bankruptcy conference report.

So we will be here, we will work hard tomorrow, and we will get a lot done. But we will only be able to do that and make our early morning planes on Saturday if we are willing to find a way to work our way through tonight. If we can proceed through the Shays/Watson amendment, that would leave us a few votes to begin the morning with and the chance to get right into the completion of the work.

That is my proposal, Mr. Speaker, and, without objection, I would move forward on that.

Ms. PELOSI. Mr. Speaker, will the gentleman yield?

Mr. ARMEY. I yield to the gentlewoman from California.

Ms. PELOSI. I thank the gentleman for yielding.

Mr. Chairman, now in your capacity as leader, I was seeking a clarification. Certainly we want to move this bill expeditiously, knowing its importance to the American people, even at the expense of starting the district break a few hours later, and I know you share that concern. But what I heard you say, I had a concern about, and I am seeking clarification.

I was hoping that we could take up the Oberstar and Young amendments tonight, roll the votes for them to tomorrow, take up the Waxman amendment tomorrow and vote on it tomorrow, and then proceed tonight with 52 down to Shays/Watson, rolling the votes until tomorrow.

Mr. ARMEY. The gentlewoman is exactly correct, in that if you took the beginning of the amendments in the rule, we would agree to move the Waxman amendment to tomorrow, but roll the votes on Oberstar, Young and all others up through Shays/Watson, which would be amendment No. 23. That would give us a great deal of progress tonight, and obviously we would also have the general debate out of the way.

Ms. PELOSI. That is agreeable to the minority, Mr. Leader.

So that would mean that there would be no more votes tonight and we would take up the Waxman amendment tomorrow and vote on it tomorrow?

Mr. ARMEY. The gentlewoman is absolutely correct. The gentleman from California (Mr. WAXMAN), I might add, is going to want to thank the gentlewoman for working very hard to make sure that this is a clear understanding that we are proceeding in that way.

Ms. PELOSI. I thank the distinguished leader.

N O T I C E

Incomplete record of House proceedings.

Today's House proceedings will be continued in the next issue of the Record.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, SECOND SESSION

Vol. 148 WASHINGTON, THURSDAY, JULY 25, 2002 No. 103

Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable JACK REED, Senator from the State of Rhode Island.

PRAYER

The PRESIDING OFFICER. The prayer will be offered today by the guest Chaplain, the Rev. Dr. Frederick W. Pfotenhauer, from Hilltop Lutheran Church of the Ascension, South Bend, IN.

The guest Chaplain, offered the following prayer:

Holy God, Wisdom Eternal, at the time Your Spirit breathed over the Earth and gave life and heart to all that is, You also called all people to be participants in Your holy actions. Enable each of us, especially those elected to this United States Senate and charged with being the voice of the people who inhabit this beloved land, to recognize our responsibility as conduits for these Your holy actions. Our prayer this morning, in voices lifted to You, resonates not only with the men, women, and children of our country but with the voice of humanity throughout the world and across the centuries. And so we, the family of the Senate, desiring to be filled anew this day with Your Spirit, Your wisdom, and Your purpose, plead with You to hear once more the prayer of Francis of Assisi.

Lord, make me an instrument of Your peace; where there is hatred, let me sow love; where there is injury, pardon; where there is doubt, faith; where there is despair, hope; where there is darkness, light; where there is sadness, joy.

O Divine Master, grant that I may not so much seek to be consoled as to console, to be understood as to understand; to be loved as to love.

For it is in giving that we receive, it is in pardoning that we are pardoned. And it is in dying that we are born to Eternal Life. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JACK REED led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, July 25, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JACK REED, a Senator from the State of Rhode Island, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. REED thereupon assumed the Chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. REID. The first hour, as the Chair will shortly announce, will be a period of morning business. The Republican leader has control of the first half, and the Democratic leader has control of the second half.

At 10:30, we will begin consideration of the motion to waive the Budget Act with respect to the Rockefeller amendment. There will be 1 hour of debate on that and a vote thereafter.

Last night, a unanimous consent agreement was entered into between the two leaders that allows the majority leader to call up the legislative branch appropriations bill, which probably will be done sometime today. Following that, we may even go to the Defense bill. The order is we go to that before next Wednesday.

In the meantime, there is work being done. People worked in the Capitol until late last night trying to come up with some sort of amendment dealing with prescription drugs. We need a bipartisan agreement on that. It was a bipartisan group meeting last night.

The Senator from Oregon, the junior Senator from Oregon, Senator SMITH, wishes to speak for a few minutes now, and I ask unanimous consent he be allowed up to 3 minutes to speak.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Oregon.

GUEST CHAPLAIN DR. FREDERICK W. PFOTENHAUER

Mr. SMITH of Oregon. Mr. President, it is my privilege today to say a few words about the reverend doctor who offered a word of prayer on behalf of this country and this institution this morning.

The Rev. Dr. Fritz Pfotenhauer has given me permission to refer to him personally as Fritz, but he is a most distinguished pastor and minister of the gospel. He is the pastor of the Hilltop Lutheran Church in South Bend, IN. He is descended from a long line of Lutheran ministers in an unbroken father-son succession dating back to the time of the great reformer, Martin Luther.

Dr. Pfotenhauer completed his Ph.D. in pastoral theology at the University of Notre Dame where he also taught for 20 years until his retirement recently.

He will also retire at the end of this year as the pastor of Hilltop Lutheran after 36 years of service to that community and 46 years as an ordained minister.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

I think it is significant that this good brother is not just trained for the ministry and knows the ivory tower and knows the depths of theology, but he knows how it is to minister, how it is to change the human heart and help lift people from the wrong path. This is a man, as you meet with him, who can talk deep in terms of gospel principles but also knows personally what it is like to change the human heart and to set it on the course of righteousness.

Pastor Pfotenhauer is the father of Kurt Pfotenhauer, who is my friend and my former chief of staff for nearly 6 years. Dr. Pfotenhauer's wife, Carolyn, is in the audience today. We welcome her. We honor her, as well as her grandsons, Jon and Ben, and her daughter-in-law, the pastor's daughter-in-law, Kurt's wife, Nancy. They are all with him today.

We honor you, sir. We thank you for your service to us today. We thank God for your service to his children.

I yield the floor.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak therein for up to 10 minutes each. Under the previous order, the first half of the floor time will be under the control of the Republican leader or his designee, and the final half of the time shall be under the control of the Democrat leader or his designee.

The ACTING PRESIDENT pro tempore. The Senator from New Mexico.

THE STATE OF THE ECONOMY

Mr. DOMENICI. The Republican leader has designated the Senator from New Mexico to control the time. I yield myself 10 minutes.

Mr. President, fellow Senators, a week ago the Federal Reserve Chairman, Alan Greenspan, testified before the Senate Banking Committee. It is important to take note of what he said at that hearing and where he thinks our economy is headed. Despite the obvious bear market which prevailed until yesterday, when we had a rather significant bull market for the day, our economy's fundamentals are strong.

Despite this bear market, our economy is not headed for another recession in the near future. Productivity growth is rapid. Inflation is low. Mortgage rates are also low, as everyone knows. That has kept the housing market very strong.

Families have been taking advantage of these low-income rates by buying homes at a record pace and refinancing old ones, thus yielding either lower payments or cash at hand which they are using to acquire what they believe they need.

Notice that those who claimed that the tax cut would lead to higher interest rates have been very quiet of late, at least on that point. The Federal Reserve sees the economy as growing at about a 3-percent rate in the second half of this year and even faster next year. The unemployment rate will probably end the year at about 5.9 percent. That is about right where it is now.

Next year, the jobless rate could drop to about 5.4 percent. This does not mean the outlook lacks uncertainty. The recent weakness in the stock market is important. The American people are worried, concerned. Lower equity prices create a negative wealth effect that will be a drag on consumer spending, as I have just indicated. Lower stock prices also make it tougher for businesses to acquire the capital they need to invest. Slow business investment continues to be our economy's weakest point. And, of course, we still face the risk of further terrorist attacks or other conflicts that could disrupt the energy market.

Chairman Greenspan also observed:

> To a degree, the return to budget deficits has been the result of temporary factors, especially the falloff of revenue, of tax take, and the increase in outlays associated with the economic downturn.

But the chairman also observed that unfortunately, despite these temporary factors impacting the deficit, he also saw signs that the underlying disciplinary mechanisms that form the framework for Federal budgets over the last 15 years have eroded.

I would say one of the most obvious ''disciplinary mechanisms,'' to borrow his words, is the adoption of a congressional budget. I have spoken in the past here on the floor about the failure to adopt a budget resolution this year. Clearly, this is the one thing we can do in the Congress to send a message to the American public and to the markets that we understand the importance of having a budget in these difficult economic times. So far we have failed as elected officials to do the most essential of our responsibilities—adopt a budget.

Clearly, the other side of the aisle, the Democrats and their leadership, bear that responsibility, the responsibility to have continued on with the budget process and to have produced a budget resolution. We know that even on this most serious of debates, with reference to prescription drugs for our seniors, the absence of a budget resolution has found its way here to the floor.

Because there is not a budget resolution that impacts for the remainder of this year, we then look to the previous year for the impacts, plus or minus impacts, on adopting a prescription drug bill. Lo and behold, we find the previous year's budget, the budget that this Senator, as chairman, helped put together, is now impacting and will through the remainder of this fiscal year be impacting on what we can do in Medicare. Clearly, it is saying we can only spend $300 billion over the next decade. That was the judgment of the Senate when it last voted in a budget resolution.

Things have not gotten better but perhaps have gotten somewhat worse during that intervening year. We are here on the floor discussing a Medicare bill that is much larger than what we talked about the year previous when we had a rather positive economy, not one that was in the red but one that was in the black.

Now the question is, What shall we do for the remainder of this year, up until October 1, when all the appropriations bills are subject to adoption in both Houses, to go to conference, come back, and then go to the President—when all the other measures on which we have been going slow, or are in conference, have to come up? Are we going to have no budget resolution nor budget statement impacts on any of those activities, the sum total of which are the budget, and determine, starting October 1, what we shall do?

It makes it difficult. Even the distinguished chairman of the Appropriations Committee, the President pro tempore, responding to a question about how not having a budget would affect the ability to work on appropriations bills, said—and I quote from The Hill magazine:

> It makes it difficult because we don't have the disciplinary mechanisms at our fingertips that would otherwise be the case if we had a budget.

The Appropriations Committee, under his leadership and that of Senator STEVENS as ranking member, is fully aware their appropriations bills, one by one, when added together are the sum total of the budget for the year starting October 1. They have recommended on one of the bills that there be a sense of the Senate that they will engage in attempting, with the Senate, to bind themselves to the numbers in the appropriations bills, saying we will be bound by those even though we do not have a budget resolution that would normally give the numbers, prescribe them to the committee.

I gather that means the Budget Committee chairman and ranking member—with that language, that sense of the Senate, saying that we will be bound by the sum total of the allocations to the subcommittees—I gather they clearly are concerned that if we do not have something, the bills eventually will be subject to whatever the Senate would vote in and have no overlying power that says you can't go over this or you suffer some kind of penalty.

Senator BYRD and Dr. Greenspan have spoken. I tried on two or three occasions on the floor to remind us, as Senator JUDD GREGG has, and some

Democrats have taken to the floor concerned about the fact that we don't have any discipline. It makes it difficult because we don't have the disciplinary mechanisms at our fingertips. That is what the distinguished chairman of the Appropriations Committee said a few days ago.

A couple of weeks ago, absent a real budget resolution, we came close to adopting at least a poor version of a budget by trying to set spending caps for the appropriations process, enforceable only here in the Senate next year, and extending with Senate enforcement tools some expiring Budget Enforcement Act provisions.

But let it be clear, this is not a budget resolution.

The PRESIDING OFFICER. The Senator has used 10 minutes.

Mr. DOMENICI. I ask unanimous consent for 5 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator may continue.

Mr. DOMENICI. Let it be clear this was not a Senate budget resolution on which we voted. It was an attempt to address just a small portion of the Federal spending that indeed will take place between now and the end of next year. Let it be clear that this is not a budget resolution because it only applied to appropriations, and budget resolutions go well beyond the appropriations bills which constitute about one-third of the spending of our Nation. Two-thirds are subject to other approaches to spending, mandatory approaches—they are automatic, like Social Security, like Medicare. And the sum total of all those—Federal pensions, military pensions and on and on—the sum total of all of those mandatory, obligatory ones is two-thirds of the spending. A real budget would address the other two-thirds, that which we call generally entitlement spending.

I think we are now beginning to see firsthand what it means not to have a budget resolution as we are here on the floor debating adding new spending to one of the largest Federal entitlement programs, the Medicare Program. The process does matter. An updated budget resolution would have updated our spending estimates and we would now be debating these prescription drug amendments to the current Medicare Program in a more honest and transparent manner.

I think it is important that we listen up and we pay attention. This is a very serious situation. If in fact spending were to get out of hand, we hear Alan Greenspan warning us that one of the most significant qualities, characteristics of this American economy—one of the most serious ones would be for those who understand budgets to conclude that the fiscal policy is out of hand, that we don't know where it is going, and we don't know how much we are going to spend. I don't think that is the case.

But some who would look at what we have done and not done might conclude that we are not as committed as we were a couple of years ago when we had budgets, reserve funds, and all the kinds of things we have grown to use around here.

It is obvious we just have projections and estimates of costs based on the Congressional Budget Office and their most current projections. But because we don't have a budget resolution that is based on current estimates, the procedural points of order that lie against all of these amendments result from the fact that last year's budget resolution is the only one we have, and it was estimated using an entirely different set of projections.

What this says is we are using enforcement tools that were in last year's budget based upon where we are going to be with reference to expenditures, tax intake, and, thus, deficits, or being in the black and with a surplus.

Regardless of whose amendment one supports, not having a current budget resolution penalizes all proposals. This is not the way to consider one of the most important and probably most expensive legislative proposals to come before the Congress in years; that is, prescription drug provisions that we are debating.

We therefore see the failure to adopt a budget resolution, we see it impacting on the way the Senate can conduct business here on the floor. We are tied up in trying to consider a prescription drug bill while bypassing the Senate Finance Committee. If the majority leader chooses to proceed without waiting for, or without expecting and relying upon a bill that the Finance Committee and committee debate produces and sends to the Senate, that is his prerogative.

I believe in these particular times, with all of the facts I have just described, that it is not the best way to do it. But there are even other reasons beyond budgetary that cry out for it not being the best way to conduct business—be it an energy bill, which we did directly on the floor and didn't have language from a committee as a formal bill with the appropriate documents attendant thereto, to many others that we are taking up out of the majority leader's office and putting up here on the floor without the committee authentication which comes from the committee debate, which is a very heralded and important part of the Senate process.

Chairman Greenspan also spoke specifically about the other rules that were incorporated into the Budget Act and, thus, are in the budget. They came into being when our country had another bad time. We went out and met at Andrews Air Force Base. We came back with a series of proposals, one of which was called a pay-go, and spending caps. These are devices that helped at least provide some tools for statutory and congressional fiscal policy deliberations. These were enforced by points of order. The point of order lied. These provisions were operative—or any one of them. Then we were penalized and had to have 60 votes rather than 51.

That is wherein the drug bill lies in terms of the process. This is something we can do.

I have introduced legislation to extend the budget enforcement provisions, including the spending caps, establishing firewalls that go between the nondefense and defense, pay-go rules impacting the mandatory spending programs and tax revenues, limitations on the advanced appropriations, and other provisions that I believe are the minimum needed to maintain some semblance of statutory and congressional budget authority.

Let it be clear that this legislation is not a budget resolution, it is strictly enforcement provisions. But it is the heart and soul of budget enforcement mechanisms that would be here if we were adopting a budget under the existing budget law. It is essential that we do at least this much, and we ought to give serious consideration to doing it before this year ends.

I once again borrow the language of Dr. Greenspan when he calls all these things disciplinary mechanisms. We need to reassert them—something Chairman Greenspan and Chairman BYRD reminded us that we need. This is important to the way we conduct business and the signal it sends to the markets and the economy.

Also, my colleagues joined in other legislation that I hope we can find some way to have adopted before the new fiscal year begins on October 1. I have heretofore introduced a summary of this proposal. After getting closer and talking to more people, I put some more flesh on it. I don't want to formally introduce it, but I want to send attendant to this speech, following it, a proposal that will be called a bill. It indeed would be the proposal I have summarized that, as a minimal, we would need. I hope Senators will pay attention to it.

Perhaps by the end of the day today we can find out whether there is a genuine interest. If there is not, then obviously I believe I have done my best to call attention to it and to provide how it might be done. I submit that there is indeed a possibility that if this were to pass and the Senate were to adopt it, and since it applies only to us—the House offers it through its Rules Committee—if we were to adopt it, I have every reason to believe it would have a positive impact on those who are wondering what is our fiscal policy after this October and into a year with new so-called disciplinary functions available.

I yield the floor.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mrs. CLINTON. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. STABENOW). Without objection, it is so ordered.

12TH ANNIVERSARY OF ENACTMENT OF THE AMERICANS WITH DISABILITIES ACT

Mrs. CLINTON. Madam President, I rise today to recognize the 12-year anniversary of an incredibly important step in America's continuing effort to expand the circle of opportunity and to realize a more perfect union.

Twelve years ago today, the Americans with Disabilities Act became law. When we think about that remarkable day in history, we remember the relentless efforts of some of our colleagues who took such leadership in this important expansion of civil rights protections. Senators HARKIN and KENNEDY used their positions of power to fight for those with little or no power. Their work opened the doors to people with disabilities in much the same way as the Civil Rights Act had done three decades earlier for other Americans.

We also remember the people who fought behind the scenes, those who tenaciously and selflessly advocated for equal access because they knew that people with disabilities were being excluded from schools, from jobs, from the most fundamental participation in our American way of life.

One such person—someone whom I was very proud to call my friend—was truly the heart and soul of the disabilities civil rights movement. That person was Justin Dart. We lost a great American and a great leader with Justin's death on June 22. But because of his lifelong commitment to ensuring the rights and dignity of every single American, we will never forget him. He was not only a great and tireless leader, he was an extraordinary human being. Anyone who ever saw him, with his cowboy hat and his infectious grin, would never forget him.

Justin Dart's passionate advocacy led many to refer to him as the Martin Luther King of the disabilities movement. So on Martin Luther King's birthday, January 15, 1998, my husband, President Bill Clinton, awarded Justin the Medal of Freedom, our Nation's highest civilian award. We also invited Justin back to the White House when we honored the 10th anniversary of the Americans with Disabilities Act. And throughout my tenure as First Lady, and since becoming a Senator from New York, I often sought his guidance on health and disabilities issues.

Justin Dart's leadership changed the way we, as a society, think about people with disabilities. We all know—those of us who have lived long enough—that at one time we presumed a disability meant a lifetime of dependence. Now we know better. We know that we have countless Americans, of all ages, with disabilities who not only want to but can lead independent lives to contribute to the quality of our lives and our Nation's prosperity. That is why, in 1998, the Clinton-Gore administration formed the Presidential Task Force on Employment of Adults with Disabilities, and then in the year 2000 expanded its mission to include young people.

This task force has been instrumental in helping us understand the challenges that still confront Americans with disabilities and in understanding, despite the extraordinary progress we have made since the ADA was passed, we still have a very long way to go.

According to a recent survey of Americans with disabilities conducted in 2000, 56 percent of 18- to 64-year-olds with disabilities who were able to go to work were employed in 2000. That is up from 47 percent in 1994.

That is progress, but we also have to recognize that 44 percent of Americans with disabilities are still not working. Justin himself eloquently expressed the status of Americans with disabilities on the 7th anniversary of the ADA when he said:

The job of democracy is far from finished. Millions and millions of people with disabilities, in America and other lands, are still outcast from the good life.

In Justin's honor, we simply have to do better.

One of the ways I will keep honoring Justin Dart's legacy is to continue the fight for equal access and full funding under the extraordinarily important legislation passed 25 years ago to provide education for children with disabilities. The Individuals with Disabilities in Education Act, known as IDEA, has literally transformed the lives of countless American children.

I have a particular connection with that law because, as a young lawyer just out of law school in 1973, I went to work for the Children's Defense Fund. We could not understand why, if you looked at census tracks and saw how many children were living in a particular area between the ages of 5 and 18 and compared that with the number of children enrolled in school, there was a discrepancy. There were children we knew living in an area but they were not in school. Where were they?

We could not understand it by just looking at the statistics so we literally went door to door to door. I was knocking on doors in New Bedford, MA, asking people did they have a child who was not currently enrolled in school. I found blind children, deaf children, children in wheelchairs, children who were kept out of school because there were no accommodations for their education.

I remember going into a small apartment that opened out on to a tiny terrace where the family had constructed a grape arbor, and it was a beautiful apartment with a small garden. A little girl was sitting in a wheelchair out on this little terrace on a summer afternoon. She had never been to school.

We then, working with many other advocates for children and people with disabilities, wrote a report and engaged in the debate which led to the passage of the Individuals with Disabilities in Education Act in 1975.

This year the HELP Committee, on which I serve, is beginning the hard work of reauthorizing this important legislation. When it was passed in the Congress in 1975, we made a promise that the Federal Government would pay 40 percent of the cost of educating children with disabilities. I thought that was a fair bargain because, clearly, educating a child who is blind or deaf or in a wheelchair and needs more help, therefore, requires more resources which is going to raise the costs for local communities. But it was another example of America doing the right thing.

It has made such a difference. Anyone who goes into schools today and sees bright young children raising their hand from their wheelchair or walking down the hallway on braces with their friends or having someone help with the reading because they are blind knows what a difference it has made, not only for the children with disabilities but for all children and for the kind of society we are.

Unfortunately, the Federal Government has never paid its fair share. That is something that has to change. That is something about which I often talked to my friend Justin Dart. He would have wanted us to keep going with the fight to ensure that all Americans are treated with dignity.

He had a very astute way of looking at life and actions in Washington. He once said:

The legitimate purpose of society and its government is not to govern people and to promote the good life for them, but to empower them to govern themselves and to provide the good life for themselves and their fellow humans.

As usual, Justin Dart summed it up. The Americans with Disabilities Act provided a firm foundation on which to build that empowerment, to ensure that every boy and girl, no matter what their physical or mental status might be, is viewed with the same respect and caring that every other human being deserves as well.

Justin Dart lived it. He advocated. He harassed. He reminded. He prodded and promoted all of us to do better. He himself was confined to a wheelchair. He lived with a great deal of pain, but that smile never left his face. With his beloved wife and family, he showed up whenever the call was sounded for his championship on behalf of people who he never forgot and for whom he never stopped fighting.

We will miss Justin Dart, but it is up to us to continue his legacy and to ensure that the work to which he gave his life continues in his honor and on behalf of the countless young Americans who might never know his name but who are given a chance to chart their own destinies because he came before.

I thank my friend Justin Dart and wish him and his wonderful family Godspeed.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. STABENOW. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. CLINTON). Without objection, it is so ordered.

Ms. STABENOW. I thank the Senator from New York for stepping into the Chair for a moment this morning so I might share a few comments. I also congratulate her on a very eloquent statement about an extremely important gentleman, Justin Dart, whom I knew not as well as the Senator from New York but for whom I had tremendous admiration. I align myself with the comments concerning special education and what needs to be done. I thank the Senator for her advocacy this morning on that very important topic.

PRESCRIPTION DRUGS

Ms. STABENOW. Madam President, I rise this morning to comment on another very important topic that is before us and to urge my colleagues to come together to get something done. We have been talking a lot about Medicare and the fact it is outdated, that it needs to be modernized to cover prescription drugs.

We had a very significant vote 2 days ago. It was historic. It was the first time the Senate, since 1965, has come together to vote to modernize Medicare. A majority of us, 52 Members, voted yes. I commend my Republican colleague—which was the one Republican vote joining us—the Senator from Illinois, for joining us in that effort.

A statement was made by a majority of the Senate, and I believe it reflects the will of the majority of Americans. We have a health care system for older Americans, a promise of comprehensive health care for older Americans and the disabled that was put into place in 1965. It has worked. The only problem is that the health care system has changed. We all know that. We have all talked about it many times.

What I find disturbing at this moment, in light of the fact that we need 60 votes—we need 8 more people; we need 8 of our Republican colleagues from the other side of the aisle to join us to actually make this happen—in light of the success of Medicare, too many times I am hearing words such as ''big Government program'' from my Republican colleagues in the House. They refer to Medicare as a ''big Government program,'' and there are times I have heard that in this debate from the other side of the aisle.

I am here to say I think Medicare is a big American success story. It is a big American success story, just as Social Security is a big American success story and one that we should celebrate.

I worry, as I hear comments from our President about moving in the direction of wanting to privatize Social Security, wanting to move Medicare to the private sector and privatize it, that we are moving away from not only a commitment made but a great American success story. It has worked, and I think often now of those people such as Enron employees or WorldCom employees who have lost their life savings who have said to me: Thank God for Social Security and Medicare or I would have nothing. If Medicare was not there, they would have no health care.

These are great American success stories. At this time in 2002, at this moment in July, we have an opportunity to make history so that when others read the history books and look back, they will find we took the next step to modernize a system that provided health care for older Americans and the disabled for over 35 years.

I want to read a couple of stories from Michigan. I have set up a prescription drug people's lobby in Michigan and asked people to share their stories and to get involved because we know there is such a large lobby on the other side.

As we all know and have said so many times, there are six drug company lobbyists for every one Member of the Senate. Their voice is heard every day. It is also heard on TV. It is heard on the radio. There is a full-page ad in Congress Daily from the drug company lobby that was brought to my attention urging us to oppose the amendment we passed to open the border to Canada.

Heaven forbid that we add more competition. Heaven forbid that American citizens be able to buy American-made drugs that they helped create through taxpayer dollars, but they are sold in Canada for half the price they are sold in the United States. Heaven forbid that American consumers would have the chance to do that. So they have an ad, and I am sure there are many more. I am not sure how much it costs. I prefer the money that is being spent on this ad and other ads on television and the $10 million being spent on ads supporting the drug company version would be put into a Medicare benefit or lowering prices. That would be certainly much more constructive in the long run.

The reality is that something has to be done because the system is just out of control, and it will not change unless we act because there is too much money at stake. Just as we have debated corporate responsibility in other settings—and I applaud colleagues who have come together to agree on a final plan related to legislation for corporate responsibility and accountability—this, too, is an issue of corporate responsibility, corporate ethics, as it relates to pricing lifesaving medicine. And how far is too far?

Let me share stories that have come to me from various individuals in Michigan. This is one from Christopher Hermann in Dearborn Heights, MI. He writes:

I am a nurse practitioner providing primary care to veterans. I am receiving many new patients seeking prescription assistance after they have been dropped by traditional plans and can no longer afford medications. Many of them have more than $1,000 a month in prescription drug costs.

The vets are lucky. We can provide the needed service. Their spouses and neighbors are not so lucky.

I also have such a neighbor. Al is 72, self-employed all his life with hypertension. When he runs out of his meds due to lack of money, his blood pressure goes so high he has to go to the emergency room and be admitted to prevent a stroke. I provide assistance through pharmaceutical programs, but this is not guaranteed each month. We either pay the $125 per month for his medications, or Medicare pays $5,000-plus each time he is admitted. It is pretty simple math to me. It is pretty simple math.

We can either help people with their blood pressure medicine or medicine for their heart or medicine for sugar and all the other issues that need to be dealt with or we can pick up the pieces with hospitalization or worse that ultimately costs more to the system.

I very much appreciate Christopher Hermann sharing this story. I will not share more this morning. I thank those who have been sharing their stories with me.

I will close with one other story that was shared with me that has stuck with me since I read it a few weeks ago, and that was a little girl from Ypsilanti, MI. I have talked about this before, but I think this is important to remind us of what this legislation is about. She wrote a letter to me telling me that her grandma stopped taking her medicine at Christmas in order to buy Christmas presents for the grandkids. She later had health problems and passed away.

There is something wrong with the United States of America when grandmas are not taking lifesaving medicine to buy Christmas presents for their grandchildren. Ultimately, that is what this debate is about. It is about taking a great American success story, called Medicare, and simply updating it for the times. Let's say no to the drug companies and yes to all the grandmas and the grandpas across the country and to everyone who is counting on us to do the right thing.

I thank the Chair, and I yield the floor.

GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT OF 2001

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 812, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 812) to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals.

Pending:

Reid (for Dorgan) amendment No. 4299, to permit commercial importation of prescription drugs from Canada.

Rockefeller amendment No. 4316 (to amendment No. 4299), to provide temporary State fiscal relief.

Gramm point of order that the emergency designation in section C of Rockefeller

amendment No. 4316 (to amendment No. 4299), listed above, violates section 205 of H. Con. Res. 290, 2001 Congressional Budget Resolution.

Reid motion to waive section 205 of H. Con. Res. 290, 2001 Congressional Budget Resolution, with respect to the emergency designation in section C of Rockefeller amendment No. 4316 (to amendment No. 4299), listed above.

The PRESIDING OFFICER. Under the previous order, there will be 1 hour of debate on the motion to waive the Budget Act to be equally divided and controlled by the Senator from West Virginia, Mr. ROCKEFELLER, and the Senator from Texas, Mr. GRAMM.

Who yields time?

The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. Madam President, this is an extremely important vote. It is very important because in the Congress we worry not only about the Nation as a whole, but as a nation of its individual parts, that is made up of 50 different States, all of whom are getting clobbered by something called a loss of Medicaid money.

We have a chance with the amendment before us to adjust that situation. We felt so strongly about the situation and the loss of Medicaid money for our most vulnerable citizens, and also the damage it does in the aggregate to our hospitals, nursing homes, and every part of our health infrastructure. Whether you are in an urban or rural area—and the Presiding Officer's State includes both urban and rural—you are faced with hospitals and other facilities that depend overwhelmingly on Medicaid.

The States now have an enormous shortfall in their budgets. In fact, there are deficits of $40 billion to $50 billion. No State, with the exception of Vermont, can go into deficit financing like we do in the Federal Government. They have to balance their budgets. So what happens if they get to a situation where they don't have money? I was a Governor for 8 years, and I was in that situation for a full 5 years, where we actually had to lower moneys because the revenue was less than the previous year. We had to lay off people and the other things Governors have to do.

We are in a position to help now. We have done nothing on health care, basically, except the children's health insurance program, which affects 2 million children, but it needs to affect many more. We have done nothing about universal health care, prescription drugs, or this Medicaid problem, and about virtually all of the areas of health care that we talk about all the time and simply do not perform on.

So this is a real test for the 100 people who will come here to vote on whether they want to see their States drown in debt and have to cut Medicaid and hurt not only children but families and hospitals and nursing homes and home health—all the aspects of where Medicaid makes a difference.

We felt so strongly about this after September 11, which was an enormous day in the history of the world, that we included this in the stimulus package. We did that prior to last Christmas, which was a long time ago. We did it and we decided it was so important to do, even at that time, it being a worse situation now, that we would treat it in an emergency fashion and not require it to be offset. Some people say you need to offset that. When you get into economic times like we have now—much worse than they were then—the underpinnings are weaker in general, and now we really do have to act.

So what I am going to do is not use up all of our time, but wait for some colleagues to come down to speak on this amendment and why it is important that we waive the Budget Act and that we do the right thing by States and Medicare. This is an extremely important vote; it is a test vote about whether the Senate is really willing to do anything for the States and for health care. So far, we have failed on all fronts. Now we have a chance to reverse ourselves on a small, but important, aspect of it.

We have, as I say, so many cosponsors that I will not even take the time to read them. But it is very bipartisan, with 35 cosponsors, including 8 Republicans. We should, in fact, prevail on this and get the 60 votes that we want because it is good. This is an emergency, I say to the Presiding Officer. This is important now even more so because Medicaid bears all of the brunt of the rising cost of prescription drugs because it is only Medicaid and the Veterans' Administration that pays for prescription drugs. This is not Medicare, this is Medicaid, and it is suffering terribly. This is an emergency. We deemed it such after 9/11. The situation is worse now. We have a chance to do something about it.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Texas is recognized.

Mr. GRAMM. Madam President, one of the reasons I love this job is that you never reach a situation where you are able to say I have heard it all before. In much of life, as you live longer and longer, you get to the point where there is nothing new under the sun, where any new event had so many precedents for it that you understand it and you know it and you expect it. The wonderful thing about this job is that there is always a new proposal, always a new approach, always a new way of doing things that you would have never, ever thought of, and that you would have never believed that anyone else would have thought of.

I have spent 18 years in the Senate trying to deal with deficit spending. It has been a long, sometimes fruitful, sometimes not so fruitful, battle. I would have to say in the last year and a half, it has been a very unfruitful battle from my point of view because we started out with a surplus which literally burned a great big hole in our pocket. We literally could not spend the money fast enough.

Now, interestingly enough, we have a deficit. The last projection by the Congressional Budget Office is that we are going to spend, this year, $165 billion more than we take in. That deficit seems to grow every time there is a new projection. Yet our behavior is totally unchanged. In fact, I can say that in almost 25 years of service in the House and in the Senate, I have never seen the urge to spend money more unchecked in Congress than it is today. To me, it is a very frightening prospect as to what this is going to mean when all these bills come due.

Let me try to respond to the proposal before us because in so many ways, it is extraordinary. The logic of it is pretty straightforward. The States are in a position that, because of the state of the economy, many States are beginning to have deficits that used to have surpluses. In fact, it is projected now that unless something happens very positive and very dramatic in the next few months, that as many as 40 States will run deficits next year, or at least will face the prospects of deficits because many States, like my own, have to balance their budget. They will have to come into session in January, and they will have to make hard choices.

We don't make hard choices in Congress, but they will have to make hard choices in the legislature. When you add up the cumulative projected deficits for all 40 States that are looking at potentially being in the red, that accumulated aggregate deficit projection is about $40 billion.

Now, the proposal before us extraordinarily says let's declare an emergency so that we can spend another $9 billion that we don't have, every penny of which will come out of the Social Security trust fund; but let's go ahead and borrow that money now. Let's take it out of the Social Security trust fund and spend it so that States will not be required to make tough choices. The only problem is, our projected deficit is four times as great as the aggregate sum of all the deficits of all the States in the Union combined.

In fact, it would have made more sense—I would not have supported it but it would have made more sense had our dear colleagues proposed that we reduce Medicaid reimbursement because the States have a better financial situation than we do and, therefore, they are in a better position to deal with this problem.

I would not have supported that proposal because I do not think we want to beggar our neighbor in terms of imposing our problems on the States, but at least it could have been argued, with a deficit projected to be four times as big as all the State deficits combined, that we cannot be as generous as we wanted to be. That argument would make sense at Dicky Flatt's Print Shop in Mexia, TX. People would understand that argument in Oklahoma.

They might not like it. They might oppose it, but they would understand it. They would say it made sense, but I do not believe people at Hesser Drug Coffee Bar in Ennis, TX, or people anywhere in any State in the Union, would find logic in the Federal Government borrowing another $9 billion we do not have, taking the money out of the Social Security trust fund because every penny of this surplus is Social Security surplus. I do not think they would understand us declaring an emergency to spend this $9 billion to give it to States, that if we added up their total deficit is not one-fourth of the deficit that we are running right now.

So we basically are down to a question that we have to ask ourselves: Are we willing to declare an emergency to run a new deficit of $9 billion—spend $9 billion today, and in doing so, take $9 billion out of the Social Security trust fund? Are we willing to do that because States are running a cumulative deficit that is one-fourth as big as the deficit we are running? That basically is the question that is before us. It is easy for one to say this is a compassionate decision because they do not want their State to have to make a tough decision, but compassion is what one does with one's own money, not what one does with somebody else's money. This money is coming out of the Social Security trust fund. This money is coming from, ultimately, the taxpayer who is going to have to pay it back, plus interest.

If the proponents of this amendment were anteing up out of their own pockets, we could say they are compassionate about their States; they are worried about what will happen in States that have deficits. But it is not compassion when it is somebody else's money. The idea that we would run a $9 billion deficit today, that we would take $9 billion out of Social Security today to give to States that are running a deficit, that when added up among all the States in the Union is not one-fourth as big as the deficit we are running, it makes absolutely no sense.

I think, at least where I am from, and maybe where I am from is different than where other people are from, but in my State that would make absolutely no sense.

Finally, every time we talk about letting people keep more of what they earn, every time we have a debate about letting working families keep more of what they earn, many of our colleagues stand up and say we cannot afford it. We would like not to force families to sell their business or sell their farm when pappa dies so the Government can get 55 cents out of every dollar they have accumulated in their whole lifetime, even though they have paid taxes on every penny of it. Our colleagues tell us we do not like doing that but we do not have any choice because we do not have the money; we are running a deficit now.

When we talk about making the repeal of the marriage penalty permanent so we do not penalize people for the simple act of falling in love and getting married, both of them good things it seems to me, we are told that we would like to do that but we do not have enough money because we are now running a deficit.

Why is it we never, ever have enough money to let people keep more of what they earn but we always have enough money to spend? Why is there this huge difference? I would assert basically because deep down many Members of the Senate believe they can spend money better than families can spend money.

I have raised a point of order against this amendment, and I want to be sure my colleagues understand what the point of order is about. This amendment will force the Government to take $9 billion out of the Social Security trust fund and give it to the States at a time when all the States combined have a deficit that is not one-quarter the deficit of the U.S. Government. This is a very bad decision. I can see how it would be popular in the legislatures, but it cannot be good public policy to do this. So I urge my colleagues to sustain this budget point of order.

If our colleagues want to come back and say, look, this is important, we want to do this, and we are willing to take $9 billion away from something else that is not as important, then depending on what they take it away from I might be willing to support it. To simply say we want to give this money away, even though we do not have it, I do not believe that is a responsible position. As a result, I have raised the budget point of order.

I hope my colleagues who constantly talk about protecting the Social Security trust fund, I hope my colleagues who constantly talk about the fiscal irresponsibility of letting working people keep more of what they earn through tax cuts, will apply that standard today when we are gratuitously taking $9 billion out of the Social Security trust fund, borrowing it knowing we are going to have to pay it back plus interest. This is irresponsible policy. It should be stopped, and I urge my colleagues to sustain this budget point of order.

I reserve the remainder of our time.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. I yield 5 minutes to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. NELSON of Nebraska. I thank my colleague from West Virginia. He has done such an able job in this challenge of finding a way to make the partnership between the States and the Federal Government on the Medicaid Program work in difficult times.

I respect a great deal my friend and colleague from Texas, who makes a very important point about spending in the Senate. If we were only talking about spending, then I think that argument might stand, but what we are really looking at is a partnership that was created between the Federal Government and the States and it is called the Medicaid Program, a joint partnership. The Federal Government underfunded it because it said we will have a match and our match will vary based on our particular situation as well as the situation of the States.

I remember as Governor of Nebraska when the Federal budget was being balanced and the Federal match was reduced. At the State level, my particular portion had to increase. So the Federal Government balanced its budget on the basis of my budget and at the expense at times of my budget.

Now we are looking at a situation in reverse. We have the States being challenged by growing red ink, and the Senator's comment about a budget of 40 States with deficits of somewhere around $40 billion, in a news article in the Chicago Tribune this morning, it was pointed out that the gap in those States may be about $58 billion rather than $40 billion.

The point is, this is a partnership, a federally mandated program partially funded under the idea that the State would have a responsibility and the Federal Government would have a responsibility. This is not about giving away money, this is about stopping the reduction in the Federal match for a period of 18 months and increasing it for a period of 18 months. It is not giving away money, it is assisting our partners in the process they are going through as they make difficult choices.

It has been suggested that this will keep them from making difficult choices. They have already cut education funding. They have already cut funding in many other programs. The cutting has only begun. We are hopeful that the cutting in the area of Medicaid and/or in social services will not cause the gains that have been made in having people go from welfare reform to work reverse themselves and start a spiral downward where the gains made can be lost.

All we are saying to the Federal Government is, do not reduce our portion right now and require, then, the States to make that choice about increasing theirs, which they cannot do; or cutting eligibility for Medicaid and causing, most likely, a downward spiral as they face the Medicaid uncertainties.

In addition to recognizing this is a responsibility we created—I was not here, but collectively the Federal Government created this under this Federal program—I think we have a responsibility. We are facing that responsibility. Yes, we are having some difficult times, but we need to share the difficult times together rather than stand on the sideline and say it is up to the States to make the difficult choices and see them make choices that will have adverse, and maybe in some cases draconian, results at the State level.

I understand the importance of trying to develop offsets. How can anyone

ever be against offsets? Let me state a few things that have flown in the face of asking for offsets—except where maybe you are not interested in seeing the program move forward. We passed yesterday the supplemental at a $28.9 billion total cost, $2 billion offset. A few of the things included $14.4 billion for defense—no one argues with that—or $6.7 billion for homeland security. How can anyone argue with that? Or $5.5 billion for New York, how can anyone argue with that? No request for specific offset for New York, no specific offset for homeland security, for defense. Or $1 billion for Pell grants, $417 million for veterans medical care, and $400 million for improvements to State and local election procedures, we all know how important those are. Or $205 million for Amtrak, we also know how important that is. But $2 billion worth of offset to $28.9 billion worth of budget.

I am not saying these are not important any more than anyone else is. I am suggesting that while they are important, so is this.

I yield the floor.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Madam President, I happily yield 5 minutes to the distinguished Senator from Maine.

Ms. COLLINS. Madam President, let's put the budget point of order of the Senator from Texas against our fiscal relief amendment into some context. The Senator's point of order, in essence, claims that the fiscal relief provided by our bipartisan amendment is somehow not emergency spending.

Let's look at the facts. Let's look at the situation. The Budget Enforcement Act of 1990 established statutory limits on discretionary spending and a pay-as-you-go requirement for new direct spending and tax legislation. But it also exempted from the caps all discretionary spending designated by the President and the Congress as an emergency requirement.

The law does not further define what is an emergency requirement. That is up to us. One place we can look for guidance, however, is to the criteria developed by the Office of Management and Budget for the President to use when determining whether or not a spending provision qualifies for emergency treatment. The Office of Management and Budget determined that an emergency spending provision is ''sudden, urgent, necessary, unforeseen, and not permanent.'' The funds that the amendment allocates to the States is all of those things. They meet the criteria precisely for emergency spending.

First, our amendment addresses a sudden and unforeseen problem. That is the unexpected drop in revenues States have experienced. Indeed, 39 States were forced to reduce their already enacted budgets for fiscal year 2002 by reducing essential programs, tapping rainy day funds, furloughing employees, and cutting important services. In short, the budget crisis was clearly a sudden and unexpected development for our partners as States.

The second relief our amendment provides is needed to address an urgent situation, another criterion. The latest figures show that 46 States are facing an aggregate budget shortfall exceeding $50 billion. Many have already cut or are considering cutting their Medicaid and social service programs.

Finally, the relief provided by our amendment is not permanent, it is short-term relief, narrowly tailored to address a fiscal crisis that the States are experiencing now.

In short, our amendment is a textbook example of the definition of ''emergency'' spending. It addresses a sudden, unforeseen, urgent crisis, and provides temporary but much needed relief.

Finally, we should not forget as we debate this issue what this is really all about. It is about protecting health care and other essential social services for the neediest and most vulnerable citizens in this country. Medicaid provides health insurance to approximately 40 million low-income Americans, including 21 million children and young adults, 11 million elderly and disabled individuals, and 8.6 million adults in families, most of whom are single women. Without this critical safety net, millions of low-income men and women and their families would be left with no health insurance.

That is the bottom line in this debate. We need to help the States so they can continue to provide essential health care to the most vulnerable citizens in our society. We are not taking the States off the hook. They are still going to have to make many tough choices in order to balance their budgets. But we can provide this meaningful relief. We must do so now in order to preserve that critical safety net for the most vulnerable in our society.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. How much time is remaining to this side?

The PRESIDING OFFICER. There are 14 minutes 20 seconds.

Mr. ROCKEFELLER. I yield to the Senator from Nebraska 4 minutes.

Mr. NELSON of Nebraska. Madam President, how much time was yielded?

The PRESIDING OFFICER. Four minutes was yielded.

Mr. ROCKEFELLER. We have 14 minutes left; is that correct?

The PRESIDING OFFICER. Four minutes was yielded to the Senator from Nebraska.

Mr. NELSON of Nebraska. Thank you, Madam President, and I thank my colleague from West Virginia.

I have never been to Dicky Flatt's and I hope my good friend from Texas will take me to Dicky Flatt's one of these days because it is, obviously, quite a place.

I imagine the folks in Dicky Flatt's, though, will be interested in what came from the supplemental—$22.9 million to upgrade port surveillance and vessel tracking capability in the ports in Port Arthur, TX, Houston, and New York City, NY, and $12.6 million to the Pantex Plant in Texas for increased safeguards and security needs.

The point is, folks in Dicky Flatt's or Elm Creek, NB, or other small communities and/or locations around the country, understand why some spending is necessary. They understand also that when you have a Federal program that is put together, as the Medicaid Program has been, that both parties have some responsibility to make sure it is viable so when times get difficult, one partner doesn't say to the other partner: Good luck, I hope you are able to make it.

Because now we have an opportunity to say this is our program together, at the Federal level and at the State level; we have an interest in seeing that the people who are the most vulnerable in our society are appropriately served; that the nursing homes do not cease to be able to provide services or that childcare provisions are not eliminated, which are transitional benefits to get, in many cases, single parents off welfare and into the workforce.

So as we think about offsets, I think it is important that we recognize that one person's offset is another person's idea of eliminating or destroying or in some way obstructing getting something accomplished.

What we have to do is make sure offsets are, in fact, included wherever we can possibly include them. But one of the reasons emergency spending issues and funding issues have not generally required offsets is because it is very difficult to be able to match it at the time. We cannot wait on this and we cannot fight out every offset people would like to talk about. That is why emergency disaster relief, in this case emergency spending—to go to our States for our share of the program for a period of time—just simply provides the opportunity to continue something and it has to be done immediately and the process then, I take it, is there for them.

We only seem to talk about offsets when it is convenient, or where we do talk about it and they are appropriate, it is when there is enough time to be able to put them together and get them accomplished.

The economic stimulus plan, when this was a part of it last year, did not have an offset. There was not a lot of discussion about offsets at that time. Unfortunately, this particular provision did not get included in the stimulus package that was passed earlier this year, although it should have been. If it had been, it would not have involved an offset.

It seems to me we have the opportunity to move forward as a partner with our States and to be able to assist them in very important policy matters and programs that I think will benefit the people of our country and will benefit our economy. That is why this was

included earlier in the economic stimulus package. There was a recognition it was part of the economic stimulus. I hope we will today recognize it, not only as the right thing and fair thing to do with our partners, the States, but also recognize that this has been considered part of the economic stimulus package.

I ask unanimous consent an article by Judith Graham entitled ''States' Budgetary Shortfalls Deepen'' be printed in the RECORD, and I yield the floor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, July 25, 2002]

STATES' BUDGETARY SHORTFALLS DEEPEN

(By Judith Graham)

DENVER.—Concerned state legislators gathered here for their yearly meeting received sobering news Wednesday: State budget deficits have widened dramatically over the last several months, and the worst may be yet to come. Budget gaps are projected to reach $57.9 billion for the fiscal year that began July 1, up from the $35.9 billion deficit recorded during the previous 12-month period, according to a report by the National Conference of State Legislatures.

While states have plugged these holes by reducing spending and, in some cases, raising taxes, these solutions may not be enough. With turnoil roiling Wall Street, investors in a state of shock and costs for health-care programs such as Medicaid escalating sharply, ''We've anticipating deficits are going to grow even larger in the months ahead,'' said Corina Eckl, the group's fiscal affairs director. Consumers are feeling the bite of the states' financial woes in the form of higher tuition for public colleges, fewer services for at-risk kids, less help for elderly people trying to live independently in their homes, larger elementary school class sizes, as well as higher taxes.

States including Illinois are being hit particularly hard by the stock market's troubles, which have taken a big bite out of personal incomes and shaken consumer confidence. On average, more than one-third of state tax revenues comes from personal income taxes, with another sizable chunk coming from sales taxes. The falloff has been widespread: 26 states collected less money during their just-ended fiscal years than they did the year before, according to the conference's new study. ''For many states, this is the first time this has ever happened,'' said Arturo Perez, a budget analyst with the legislative group.

Reflecting a sense of pessimism, 46 percent of legislators polled at a Wednesday morning meeting said they thought revenues would remain flat or decline in the year ahead. Virtually all states are legally required to balance budgets. If so, hard choices may become even more difficult.

This past year, 19 states tapped into rainy day funds and 12 turned to tobacco settlement funds to make up for lower-than-expected revenues and keep spending cuts in check. But those reserves are now substantially smaller, leaving states with fewer options and more pressure to cut programs, said William Pound, the executive director of the National Conference of State Legislatures. One state facing acute pressure is Iowa, where revenues slid nearly 9 percent last year and spending was slashed nearly 6 percent below the previous year's levels. ''If you're a parent and you walk into the human services department and ask for help, you'll be told no services are available,'' said state Rep. Dave Heaton, co-chairman of the Iowa House's human services appropriations subcommittee. ''The most we can do is try to help existing clients.''

Among other budget-saving measures, Iowa has raised tuition at public colleges by nearly 20 percent, and instituted a hiring freeze for child protection services. With the number of workers down because of attrition and retirements, ''caseloads continue to rise and, to be honest, the attitude out there in the field is very stressful,'' said Heaton, a Republican from Mt. Pleaasant. ''I can tell you staffing at our boys' school and juvenile home, as well as our mental health facilities, is critical because of the cuts we've had to make,'' he said. ''No matter how small you want government to be, there are still things government has to do. And the problem I see now is we're getting to the point where we can't afford to do them.''

Ms. SNOWE. Mr. President, a particular problem facing not only the American people but also the States themselves—and that certainly includes my home State of Maine—is the rising cost of health care.

Today, Medicaid is the fastest growing component of State budgets, accounting for up to 20 percent of the average State budget, as costs increased by 11 percent last year and are expected to increase by another 13.4 percent this year. One of the components of this increase has been a corresponding increase in prescription drug costs as many states have discount prescription drug programs through Medicaid.

In addition, the economic downturn has left many families out of a job and without their health insurance, forcing them to turn to Medicaid. This put an enormous strain on the States, which were already facing tough budget decisions. In an effort to address their budgetary obligations, 22 States have cut Medicaid spending and 16 have cut programs that help low-income people.

The situation strained further by the fact that the Fiscal Year 02 FMAP allocations did not reflect the economic downturn and the resulting upswing in people needing assistance. In fact, due to the formula used to determine the match, 29 States found themselves with a smaller Federal match than in Fiscal Year 01.

As a result, many states have scaled back eligibility, reduced benefits, increased beneficiary cost-sharing, and cut or delayed payments to providers. Additional reductions in health care assistance, as well as cuts in other State-funded programs that serve many of those affected by the economic downturn, are expected. At this point in Maine's financial crisis, savings have been found elsewhere in the budget. However, my Governor has already made a call for a special session of the State legislature, which adjourned back on April 25 of this year, so that they can hammer out a solution to the ballooning deficit.

I am particularly concerned about the impact the State budget crunch will have on the Medicaid Program and the low-income children and families who rely on this program for essential health coverage. Last year, the House passed the Senate Centrists Economic Stimulus bill that I developed along with Senator BREAUX and others, and that proposal contained about $4.5 billion in emergency Medicaid funding to the States. Unfortunately, we could not get a vote on the proposal in the Senate.

In January, I voted to support an amendment by Senator HARKIN to the compromise economic stimulus bill that would have increased the FMAP by 3 percent for all States and 1.5 percent for States with higher than average unemployment rates, but the amendment was defeated.

Passage of this Rockefeller-Collins amendment would mean the infusion of about $54 million into my State of Maine—$36 million under the FMAP provisions alone. Maine is currently staring down the barrel of a $180 million budget shortfall. Many States face similar circumstances and still others face a figure many times that amount.

We do not want, and we certainly do not need, our States to reduce essential health care and social services to people in need in order to balance their budgets. The low-income families and seniors of this Nation should be able to rely on the continuation of these programs on which they have come to depend. The states should receive the help they need to continue their programs offering prescription drugs to seniors and low-income individuals and families. During these difficult fiscal times, our States need more federal assistance in providing health care services through Medicaid, not less.

I want to thank the Senator from West Virginia, Mr. ROCKEFELLER, and my colleague, Ms. COLLINS, for offering this amendment and I urge my colleagues to support our States and this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from West Virginia.

Mr. ROCKEFELLER. Madam President, I ask to retain 5 minutes to close debate on this side.

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

Mr. ROCKEFELLER. I yield 2 minutes or so to the distinguished Senator from Maine.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Maine.

Ms. COLLINS. I thank the Senator from West Virginia. It has been a pleasure to work with him and the Senator from Nebraska, as well as the Senator from Oregon, on this important amendment.

The Senator from Nebraska raised a very good point. This amendment has implications for all of our health care providers and that is why it enjoys such strong support of our nursing homes, of our hospitals—our rural hospitals are struggling with inadequate reimbursements—from disability advocates and the Visiting Nurse Associations.

But let's talk about what this means. We have talked about it being necessary to protect the most vulnerable

in our society. Let's talk about what it means for some individual States.

I mentioned yesterday that this amendment would provide $54 million in much needed relief to my home State of Maine. That would help avoid the necessity for draconian cuts in essential social service programs such as our Medicaid Program. But let's look at a few other States.

For Alabama, for example, this would mean $92.6 million; for Alaska, it would be $32.2 million; for Arizona, $144 million; for Arkansas, $80 million.

Let me skip down a bit. For Florida, $359 million; for Georgia, $208 million; for Hawaii, $28 million; for Idaho, $28.6 million. Indeed, the Governor of Idaho, our former colleague, Governor Kempthorne, has worked very hard as an advocate for this important legislation.

In other words, every single State in the Nation would be by this amendment provided with much needed relief. That is why we need to act. Otherwise, States are going to have no choice but to slash essential programs.

We have new figures coming out today that show the fiscal crisis affecting our partners, the States, has widened still further. According to the National Conference of State Legislators, States have used up two-thirds of their cash on hand. The gap between revenues and spending has hit $36 billion and is expected to be $58 billion, affecting 46 States. We must act. I urge my colleagues to reject the point of order.

The PRESIDING OFFICER. The Senator has used 2 minutes.

The Senator from West Virginia.

Mr. DASCHLE. Would my colleague from West Virginia withhold for a moment? If the Senator from West Virginia will yield, I appreciate my colleague's courtesy.

Mr. ROCKEFELLER. Mr. President, I yield.

TERRORISM RISK PROTECTION ACT

Mr. DASCHLE. Mr. President, as all of our colleagues know, over the last many weeks we have been attempting to work out an arrangement whereby we can go to conference on terrorism insurance. I am very pleased to be able to report this morning that we are now in a position to be able to do so. I have been in consultation with the Republican leader, and I am prepared now to present a unanimous consent request in that regard.

I ask unanimous consent the Senate proceed to the immediate consideration of Calendar No. 252, H.R. 3210, the House-passed terrorism insurance bill, that all after the enacting clause be stricken, the text of S. 2600 as passed by the Senate be inserted in lieu thereof, the bill as thus amended be read the third time, passed, the motion to reconsider be laid upon the table; that the Senate insist upon its amendment, request a conference with the House upon the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate with the ratio of 4 to 3, all without intervening action or debate.

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

The bill (H.R. 3210), as amended, was read the third time and passed.

The PRESIDING OFFICER appointed Mr. SARBANES, Mr. DODD, Mr. REED, Mr. SCHUMER, Mr. GRAMM, Mr. SHELBY, and Mr. ENZI conferees on the part of the Senate.

GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT OF 2001—Continued

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. Almost 17 minutes on the Republican side and 7 minutes on the Democrat's side.

Mr. NICKLES. Will the Senator yield me 8 minutes?

Mr. GRAMM. I would yield him 10 minutes. He deserves to be heard.

Mr. NICKLES. Mr. President, I rise in support of the budget point of order that was raised by my colleague from Texas. I am a little disappointed that the chairman of the Budget Committee didn't raise it. It is the responsibility of the Budget Committee. I have had the pleasure of serving with my colleague from Texas on the Budget Committee. That is the reason why we have a Budget Committee and the reason why we tried to pass a budget. We didn't pass a budget this year for the first time since 1974. Shame on this Congress. Shame on this Senate. Shame on, frankly, the leadership in this Senate for not getting it done.

It is maybe the most fiscally irresponsible thing we have not done and, as a result, there is no limit to how much money we can spend.

A budget point of order still lies on an amendment such as this, or any amendment, until the end of September, so we are raising a budget point of order for good reason. My colleague from Texas and the sponsors of the amendment, say this is a $9 billion amendment. This will increase Federal spending. You can come up with a list to show that every State is going to benefit. I know my State is going to benefit $93 million. I am sure my Governor would send me a letter saying please vote for this; we need help. And they do.

I agree with my colleague and very good friend from Maine. A lot of States are in very difficult times.

If you have an amendment on the floor that says here is $9 billion, and cut it up, every State is going to benefit. You could have every State Governor saying pass this amendment. What is wrong with it? Yes, states are having a difficult time. The Federal Government is having a difficult time, too. The Senator from Texas pointed out that the Federal deficit is much larger than the States' deficits. The Federal deficit, if you include Social Security, is $322 billion. Things may have deteriorated for State revenues, but they have deteriorated significantly for Federal revenues.

It is not just borrowing against Social Security. It is borrowing against the American people. The American people are going to have to borrow this $9 billion. They will have to pay interest on it. My biggest concern is that it is not a $9 billion amendment. I know the amendment is temporary. I know it is retroactive.

It is kind of interesting how we are going to spend retroactive money. This goes back and says we are going to increase spending going back to April of this year. And then presumably, we are going to do it through this September, and then next year.

It is an amendment that is for about 1 ½ years. My concern is it won't be a year and a half. If you increase these formulas, States are going to still be in difficult times next year. They are going to say: Let's make this permanent. These formulas, in many respects, are good. We don't want them to ever go down. We never want the States to get less.

If it is temporary, and here is a 1.35 percent increase in Federal match, what makes anybody think this won't be extended? This amendment is a $100 billion amendment. If it is extended, I can tell you if we pass this—and it may well be that my good friend from West Virginia has the votes. The administration is very opposed to it, illustrated in a letter from them that I have here. But if it becomes law, I have no doubt whatsoever that a year from now colleagues will say: Let's make this permanent. States are still in trouble. Governors will say: Let's make this permanent. Let's just increase the Federal share. It is free. It came from the Federal Government.

I just happen to disagree with that. If this is made permanent, we are talking about spending $100 billion—$9 billion basically for the first year—$100 billion. We are just going to do that? Next year we may not be able to make a budget point of order if we don't figure out some way to get fiscal discipline. We are just going to pass $100 billion, and have colleagues stand up and say: I can't believe these deficits are so high.

This amendment increases the Federal share. It increases FMAP. Times are tough, and we are going to increase the Federal share on Medicare.

Wait a minute. Times were good in the last several years when we had the largest surplus in the country. Did we see an increase in the Federal share when States were doing very well?

We have never said this should be based on the economy or on States' ability to pay. The formula for the FMAP is based on the States' income relative to the Federal income. The States' income was much higher than the norm with Federal income. They

paid a greater percentage, or they weren't subsidized to get as much. Another way to say this is that the poorer States were being subsidized more.

This just kind of inverts and says the States that had the significant growth last year are going to get the biggest benefit out of this proposal.

It doesn't do anything to fix some of the biggest fraud that is being perpetrated in this system right now—the upper payment limit. I wish my colleagues new something about it. Maybe some do. Maybe former Governors do. But there is a fraud, an accounting scheme and scam that is going on today called upper payment limit. It is being done by about 30 States that are ripping off the Medicaid Program and the Federal Government that is having difficulty. They devised a clever little gimmick to have the Federal Government—not pay 50 percent, not pay 60 percent, not pay 70 percent—pay 100 percent of Medicaid costs.

Are we fixing that? No. If we are going to deal with Medicaid, I tell my colleague from West Virginia and others that we are going to deal with the upper payment limit.

It is sickening to me to think we are telling people we are going to hold private America to a strict accountability standard; we are going to have you sign truth-in-accounting statements, fiscal statements and financial statements; and, we have Governors who are ripping off the taxpayers of this country with an upper payment scheme and scam to where they get the Federal Government to pay 100 percent of their Medicaid costs.

It is happening in State, after State, after State, after State.

Have we fixed that? No. Should we fix it? Yes. Let us deal with that.

If we are going to get into Medicaid reimbursements, let us wrestle with that. Have we had a markup in the Finance Committee? No. Have we requested it? Yes. Did we mark up this FMAP proposal? No.

Some said: We will deal with the upper payment limits. This didn't go through the Finance Committee. Maybe it is just a continual stream. Maybe the Finance Committee, which used to be an important committee, doesn't matter whatsoever. Maybe we don't need hearings anymore. Maybe we don't need markups in committee. Maybe we will do everything on the floor of the Senate.

I disagree with that. I disagree with the abuse that is being put on some States by the upper payment limit; and, then to come up with this amendment and say let us increase the Federal share on Medicaid—a Federal-State program—and have the Federal Government take more and more of the program. It used to be a Federal-State combination. Now there is this idea to let us make the Federal Government pay more.

If you are going to do a 1.35 percent increase, why not make it all Federal? Make it 70 percent in every State, or make it 80 percent. There has to be some kind of limit. The Federal Government happens to have deficit problems, too.

Just to increase this entitlement and really kind of turn the formula upside down—this goes all the way back to the creation of Medicaid, a successful program to help low-income States; a program designed to benefit the poorer States, to assist them. Medicaid is a good program, but this amendment says, well, we want the Federal Government to make up more, and when some States are abusing it, we don't stop that abuse. We are just going to have the Federal Government pick up more. We can hand out cards. Your State is going to get so many billion dollars. We'll just borrow some Federal money.

The Senator from Texas said it is Social Security money. It is Social Security, plus we are going into debt $165 billion.

We will borrow every penny that we are talking about. We will pay interest on that debt and write a check for that interest. It is not just an accounting gimmick. It is not just crediting some fictitious trust fund. We will write a check for every dime that is spent in this program.

I question the wisdom of doing that. The administration is opposed.

I will ask unanimous consent to have printed in the RECORD a letter from the Secretary of Health and Human Services, Tommy Thompson, dated July 18 that says:

> The Administration is opposed to this amendment. A temporary change in the FMAP rate would be an unprecedented disruption of the longstanding shared fiscal responsibility for the Medicaid program. FMAP rates are not designed to change according to short-term economic developments. Such cyclical movements are contrary to the intent of the Medicaid statute, and in the long term, would serve the interest of neither the States nor the Federal Government.

I believe that is exactly right.

I ask unanimous consent that this letter be printed in the RECORD÷.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH AND HUMAN SERVICES,
Washington, DC, July 18, 2002.

Hon. TRENT LOTT,
Minority Leader, U.S. Senate,
Washington, DC.

DEAR MINORITY LEADER LOTT: We understand that Senators Jay Rockefeller, Susan Collins, Ben Nelson, and Gordon Smith will offer an amendment to S. 812, the "Greater Access to Affordable Pharmaceuticals Act." The amendment would provide temporary increases in the Federal Medical Assistance Percentage (FMAP) under the Medicaid program under Title XIX of the Social Security Act. It would also provide grants to States through Title XX to be used for a variety of social services programs.

The Administration is opposed to this amendment. A temporary change in the FMAP rate would be an unprecedented disruption of the longstanding shared fiscal responsibility for the Medicaid program. FMAP rates are not designed to change according to short-term economic developments. Although FMAPs are based on State per capita income levels and other economic indicators, they have not typically risen and fallen with short-term economic trends. If State logic suggests raising FMAPs now, then it would also imply lowering them in times of economic boom. If we had followed such a course, after nine years of economic recovery, current FMAP rates would be much lower than they are today. Such cyclical movements are contrary to the intent of the Medicaid statute, and in the long term, would serve the interest of neither the State nor the Federal government.

An FMAP increase is unlikely to increase health insurance coverage. Instead of using increased funds to provide more health services, States would likely use the increase in Federal dollars to lower their spending on health care. Increasing the FMAP would not lead to more coverage; it simply shifts additional health care costs onto the Federal government.

The President has introduced a nunber of initiatives to help alleviate State fiscal pressures and to increase access to health care coverage for millions of uninsured Americans, including:

$89 billion over 10 years for health credits for the uninsured;

A Medicaid drug rebate proposal that would save States billions of dollars over the next ten years;

A proposal to provide Federal funding for prescription drug coverage to low-income seniors prior to implementation of comprehensive improvements in Medicare. Such a proposal has already passed the House and would provide quick fiscal relief to States, which have had to take responsibility for prescription drug coverage in the absence of Senate action;

Medicaid coverage for families transitioning from welfare to work through FY 2003;

A proposal to make available State Children's Health Insurance Program (SCHIP) funds that under current law would return to the Treasury at the end of FY 2002 and 2003; and

The Health Insurance Flexibility and Accountability Demonstration Initiative that gives States more flexibility using Medicaid and SCHIP funds to expand health insurance coverage to low-income Americans.

All of these proposals would provide both temporary and long-term fiscal relief for States, which is the right policy response given that State' health care obligations are expected to continue to increase rapidly. In addition, these proposals would help provide more secure and affordable health care assistance for low-income Americans right away. These are far more effective approaches than an increase in the FMAP.

The Administration also opposes the temporary increase in funding for the Social Service Block Grant under Title XX of the Social Security Act. We believe that States already have sufficient access to other Federal block grant funds to supplement the Social Services Block Grant and other social services-related programs.

We understand that some States continue to have financial difficulties and that Medicaid constitutes a large share of State spending. However, we do not feel that this temporary increase in FMAP is an effective or proper way to address these final difficulties. We will continue to work with the Senate to implement effective approaches of providing relief to states while improving health care coverage and affordability.

The Office of Management and Budget has advised that there is no objection to the submission of this report from the standpoint of the President's program.

Sincerely,

TOMMY G. THOMPSON.

Mr. NICKLES. Mr. President, I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Seven minutes remain on both sides. Who yields time?

Mr. NELSON of Nebraska. Mr. President, I ask my colleague from West Virginia if I might have 2 minutes.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. I yield to the Senator from Nebraska 2 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. NELSON of Nebraska. Thank you, Mr. President. I thank Senator ROCKEFELLER.

Back in the early nineties when I tried to balance our budget as Governor and had a difficult time doing it, the Federal Government reduced its share and increased ours.

Today, the Federal Government is not having the same difficulty the State of Nebraska is having in terms of revenue. For only the second time in history, Nebraska's revenues are less this year than they were last year.

If we are trying to talk about who is going to do what during difficult times and how this partnership is going to work, I think it is a little inconsistent to say the Federal Government doesn't reduce its share. It does. If it reduces it, it can increase it; and it does in the ordinary course of events.

What we are saying is, this is an unusual set of events—not a temporary downturn, although we think it is but it is an unusual set of events where the Federal Government continues to have growing income and the States are having a reduction in their income.

It is a recognition that this partnership, which was created by the Federal Government with the States, is one that needs to work as a partnership where the two partners can work together to make this program work. That is what it is.

Certainly, I am not suggesting the Federal Government take over the entire partnership, take it over as a stand-alone program at the Federal Government level. But I think it is interesting to say that somehow the Federal Government's share should not increase when, in fact, from time to time it has increased, as well as from time to time it has decreased.

I think it is important to recognize that the program is about people. It is not about giving money to the States, it is about recognizing the importance of the program to the people—the faces of people who are elderly, working parents, usually single parents who are struggling to get out of the welfare system, who currently have transitional benefits in Medicaid, who could in fact lose those benefits and lose their capacity to be able to work.

It seems to me we have to be able to look beyond what is being suggested here.

I thank the Chair.

The PRESIDING OFFICER. There are 5 minutes remaining for the Senator from West Virginia.

Mr. ROCKEFELLER. How much time is left?

The PRESIDING OFFICER. The Senator has 5 minutes, and there are 7 minutes for the other side.

Mr. ROCKEFELLER. I failed to hear the Chair.

The PRESIDING OFFICER. There are 5 minutes remaining for the Senator from West Virginia and 7 minutes remaining for the Senator from Texas. And the Chair understands that the final 5 minutes to close belong to the Senator from West Virginia.

Mr. ROCKEFELLER. I say to the Presiding Officer, I am not going to use all my time at the present time. I will just make a couple very quick points.

The Senator from Oklahoma—it is very important my colleagues and their staffs, who may be listening to this debate, understand this—used two arguments, and only two arguments.

One, he said, we may extend this. In other words, that is a classic argument. If you do not want to do something, you say, we may extend this. That is why, just like when the tax cut was written into law, it will not be extended. We have written into law that will not be extended.

The Senator from Oklahoma is saying we do not want it extended because he does not want this to happen. And I understand that. It is a good debating technique. But it isn't going to be extended. It is temporary. It is a year and a half for a very specific reason.

Mr. NICKLES. Will the Senator yield for a question?

Mr. ROCKEFELLER. I will when I am finished.

Mr. NICKLES. It is a very friendly question.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. ROCKEFELLER. The other is the upper payment limit, which in fact is understood by some of us. And I do not know whether the Senator is aware that the Bush administration, which writes a letter against this—which maybe is not surprising, I don't know, but it is disappointing—has already promulgated a new regulation, which took effect in April, which solves most of the problem about which the Senator is talking. The problem he is taking about is real, but it has no place in this debate. First, the administration has moved to solve it. Secondly, it has no part in this debate.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. The Senator has 3 minutes 14 seconds remaining.

Mr. NICKLES. Will the Senator yield for a very brief question?

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. On my time.

Is the Senator saying that should his amendment become law, there will not be a request to extend this next year?

Mr. ROCKEFELLER. No, I think there probably will not be, No. 1. And, No. 2, I would probably oppose that because this is an emergency measure. That is what the Senator understood right after September 11. That is why it was in the emergency package. It is an emergency measure, not a permanent measure. It is a way of helping people.

It is interesting, the Senator from Texas talked about the budget deficit. He never talked about people. This is about 40 million people who are suffering.

Mr. NICKLES. Do I have the commitment of my colleague to oppose an extension of this next year?

Mr. ROCKEFELLER. I have no instinct to extend this program because the States——

Mr. NICKLES. I thank my friend.

Mr. ROCKEFELLER. All right.

The PRESIDING OFFICER. Who yields time?

Mr. ROCKEFELLER. I am going to yield time—3 minutes—to the Senator from Massachusetts, if he can arrive at his distinguished point of oratory.

Mr. REID. Will the Senator from West Virginia yield?

Mr. ROCKEFELLER. Of course.

Mr. REID. It is my understanding the Senator from West Virginia needs a little more time.

Mr. ROCKEFELLER. That is correct.

Mr. REID. I ask the Senator, approximately how much time do you need on your side?

Mr. ROCKEFELLER. Four minutes.

Mr. REID. So 5 minutes on each side. Is that OK with the Senator from Oklahoma, an additional 5 minutes on each side?

I ask unanimous consent, Mr. President, that the Senator from West Virginia be given 5 additional minutes and the Senator from Texas 5 additional minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, first, I thank our friend from West Virginia for his excellent presentation and strong support.

I welcome the opportunity to be a cosponsor of this legislation. I know there has been a good deal of debate and discussion about the technicalities of this amendment, but what we are really talking about are real people being hurt in the most egregious way if we fail to respond.

We know that our States are facing economic challenges, and those economic exigencies have required cutbacks in some of the very important programs that reach out to the neediest people in these States.

We are talking about real people who are being hurt. Pregnant women in

Florida will lose their current Medicaid coverage if their income just happens to fall between 150 and 185 percent of poverty.

A North Carolina family of four, with a child suffering from juvenile diabetes, could see their drug coverage shrink, potentially limiting their access to vital medicines.

Some 45,000 children could be cut from the Medicaid rolls in New Mexico because of the proposed cuts to deal with the $47 million shortfall.

Some 50,000 children, pregnant women, disabled, and elderly could lose their Medicaid coverage in Oklahoma because of the $21 million shortfall.

It may be expressed in dollars, but it is really being expressed in real people's lives: real suffering, real sacrifice, and real pain.

We have a chance to do something about that. This can be an expression of our values as a society and our concern about our fellow human beings. These are the neediest of the needy in our society, and this amendment will help them.

I commend the Senator for bringing this matter to the attention of the Senate. I am very hopeful it will be accepted and that the point of order will be waived.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, I yield 2 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for 2 minutes.

Ms. COLLINS. I thank the Senator from West Virginia.

Mr. President, I just want to make a couple points.

First of all, an increase in the Federal match under Medicaid was part of the Centrist Coalition's economic recovery package we considered. It was part of virtually every version. It had widespread support. It was supported by the administration. It did not make it into the final package. But this is not a new idea. This is an idea with widespread bipartisan support.

The second point I want to make is in response to an argument made by my friend and colleague from Oklahoma. My friend from Oklahoma said Medicaid spending does not get cut in economically good times. In fact, it is countercyclical. In good times, far fewer people qualify for Medicaid. In fact, Federal and State spending on Medicaid declined dramatically during the 1990s, when the economic times were good.

So there is a countercyclical aspect of Medicaid. It does go down when times are good and the program is less needed.

Now times are not good. There are more people in need of assistance from the Medicaid Program. We know 40 million Americans rely on this program.

What we are trying to do is preserve this essential, vital health care program that provides services and care to the most vulnerable and needy in our society. That is the motivation behind our proposal. It is not to bail out the States, it is to help the States, our partners, provide essential services.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mr. GRAMM. Mr. President, we are coming to the end of this debate. I would like to make note of how deficits occur.

If anybody wants to understand why the Federal Government, which is the summation of all of the taxpayers in the country, owes trillions of dollars, this is a classic example of how that comes about. We are talking about spending $9 billion. There are 140 million taxpayers. That is $64 per taxpayer.

The problem is, taxpayers are at work. It is 11:30 on a Thursday. They don't know this debate is occurring. But all the special interest groups that want this $9 million, members of the State legislatures who ran for office to make decisions in the States, all the people who want this money are looking over their Senator's right shoulder trying to tell them that they ought to care about people on Medicaid or about the State legislature or about the State's deficit.

That would be insignificant if the 140 million taxpayers were looking over the left shoulder. The problem is, it is 11:31 on a Thursday morning and all those 140 million taxpayers are at work. They don't even know this debate is occurring. So as a result, what tends to happen over and over and over again is that spending interests dominate.

Our colleagues tell us: States have difficulty. I remind my colleagues, the Federal Government has difficulty. A year ago we had a $283 billion surplus. We were spending madly. Today we have a $165 billion deficit, and we are still spending like drunken sailors, as Ronald Reagan would say. Only drunken sailors are spending their own money, and in all fairness, we are spending somebody else's money.

We hear that the States in total could run as much as a $40 billion deficit this year. I certainly am unhappy about it. My State faces tough decisions. But we are running a $165 billion deficit. We are running a deficit over four times as big as all the States combined.

Our colleagues say: This fits an emergency. This is unforeseen, unpredicted, unanticipated. Well, it is created by a formula that has only existed for 37 years. So for 37 years we have known what the formula was. What is unanticipated, what is unpredicted about this?

Finally, as if the argument to waive this budget point of order and bar this $9 billion and take it away from Social Security could be any weaker, the argument basically comes down to: There are some States that in the last few years have been doing better than other States, better than the country as a whole, and unless we give them more money now, they may be adversely affected by the formula.

The way the formula works is, the higher the State's income relative to national income, the more of the Medicare share they pay. Should it be the other way around? Should poorer States pay a higher share?

There is not one substantive argument in favor of borrowing this $9 billion. If the American people knew this debate was occurring at 11:35 this morning, if all 120 million taxpayers were following this debate, this amendment would never have been offered and probably would not have gotten 20 votes.

The problem is, those 120 million taxpayers are at work, and all the people who want this money are looking over their Senator's right shoulder, sending letters back home, telling people whether he cares about State finances or she cares about Medicaid beneficiaries.

That is the dilemma we are in. I urge my colleagues to look at the fact that in 12 short months, we have gone from $283 billion in the black to $165 billion in the red. When does it stop? We are broke, and we don't act like it. When do we stop spending this money that we do not have?

I urge my colleagues to sustain this budget point of order. I urge everybody who has ever lamented the spending of the Social Security surplus to put their vote where their mouth is. I urge everyone who has ever lamented the deficit, who has ever gone back to their State and said, I am for fiscal responsibility, to put your vote where your mouth is. I want to urge everybody who has ever said, we can't let working people keep more of what they earn because we have a deficit, we need the money, we can't afford it; I urge them to vote against this spending.

I don't know how you can have any possibility of being consistent in taking the position that we ought to borrow this money. This is totally unjustified. I know some people want it. If you spend $9 billion, you are going to benefit somebody even if by mistake. I am not in any way denigrating that this $9 billion will help people. I am not saying it won't. But the point is, we have a budget process. We have seen the surplus go from $283 billion in the black to $165 billion in the red. Let us stop that process here.

I urge my colleagues to vote to sustain the budget point of order.

The PRESIDING OFFICER. Who yields time?

The Senator from West Virginia.

Mr. ROCKEFELLER. I yield 30 seconds or such time as he might need to the distinguished Senator from Nevada.

APPOINTMENT OF CONFEREES

Mr. REID. Mr. President, I am sorry I was not here when the unanimous

consent agreement was entered assigning conferees to the antiterrorism legislation. It is very important legislation. It is going to help all over the country.

I compliment and applaud Senator LOTT and others who allowed us to go forward. It is an important day. Construction will be able to go forward as soon as we complete this conference in Nevada, Delaware, all over the country. It is important legislation. I compliment and applaud the Republican leader.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, let me make a couple comments.

No. 1, my friend from Texas speaks with enormous passion about the overriding power of the budget, and at the very last moment of his last statement, for the first time he used the word ''people.'' I sat in the same Finance Committee with him for a long time when we were debating tax cuts—and I am not here to argue whether it was a good or bad thing, but there was no question that we went from a $5.6 trillion surplus to a $165 billion annual deficit probably for the next 10 years, if nothing gets worse—and I never heard him make the argument—for some reason, maybe I missed it, maybe I wasn't there at the moment—that we shouldn't do that tax cut which was the largest tax cut that this particular Senator from West Virginia, who does not need it, has ever received from the Federal Government—I never heard him talk about the possibility of budget deficits.

So it does become a matter of priorities. It is fair, as the Senators from Nebraska, Massachusetts, and Maine have mentioned, to talk about 40 million people. And to say we are doing this to bail out the States, good grief, it is quite the opposite. The States are not powerful in the same sense that the Federal Government is. The States cannot go into deficit financing—with the exception of Vermont—as can the Federal Government. They have to balance their budgets.

I was a Governor; I know that. The Senator from Nebraska was a Governor; he knows that. The States are not being bailed out. If the States cut their Medicaid eligibility, they cannot receive any of this money, unless they restore their portion through legislative action to the proper eligibility rate and, only then, on a temporary basis, for 1 and a half years, written into law, do they get this money.

I want to close on the concept of people. Sometimes it appears to me on this floor that helping people is sort of a bad thing to do because if you help people, it implies that it might cost some money. It almost always does. It also costs an awful lot more money if you don't, on some occasions. This is one of those occasions. If we do not support the motion to waive, then health infrastructure all across this country is going to be hurt because of its dependency upon Medicaid. Forty million people are going to be hurt, including disabled people, children, seniors, and others, because of this motion.

I need to tell you that this is not a bailout. This is temporary. This was in the original emergency stimulus package. Nobody argued then. Now, all of a sudden, they argue. It is very important for the States to be healthy and for the States to be able to balance their budgets, and therefore I strongly urge colleagues to support the motion to waive the point of order.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAMM. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes 51 seconds remaining.

Mr. GRAMM. Mr. President, anybody who has not heard me talk about the deficit has not been listening in the last days, weeks, and years.

Secondly, I ask unanimous consent to have printed in the RECORD the accounting of the Office of Management and Budget on where this deficit has come from. We have gone from $283 billion in the black to $165 billion in the red, and only 9 percent of that change had anything to do with the tax cut.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHANGE IN SURPLUS

	FY2002		FY2003		FY2002–FY2011	
	Billions	Percent	Billions	Percent	Billions	Percent
Total surplus (OMB February 2001)	$283	.....	$334	.....	$5,637	.....
Economic and technical changes	278	64	194	49	1,669	43
Bush tax cut	41	9	94	24	1,491	38
Appropriations	45	10	40	10	409	10
Farm bill	2	0	13	3	81	2
Stimulus	59	14	39	10	42	1
Other	9	2	15	4	228	6
Total change in surplus	434	100	395	100	3,920	100
Total deficit/surplus (OMB July 2002)	150	.....	(62)	.....	1,718	.....

Source: CBO; provided by Senator Don Nickles, 7/16/02.

Mr. GRAMM. Mr. President, I will conclude by saying that we have come down to a decision about whether or not we are going to borrow $9 billion, which we don't have. Given the state of the American economy and budget, given that our deficit is four times as big as the cumulative deficit of the States, I urge my colleagues not to bust the budget, not to waive this budget point of order, but instead to be fiscally responsible.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

The question is on agreeing to the motion. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER (Mrs. CLINTON). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 75, nays 24, as follows:

(Rollcall Vote No. 190 Leg.)

YEAS—75

Akaka	Domenici	Lugar
Allard	Dorgan	McCain
Allen	Durbin	McConnell
Baucus	Edwards	Mikulski
Bayh	Enzi	Miller
Bennett	Feinstein	Murkowski
Biden	Fitzgerald	Murray
Bingaman	Graham	Nelson (FL)
Boxer	Hagel	Nelson (NE)
Breaux	Harkin	Reed
Bunning	Hatch	Reid
Burns	Hollings	Rockefeller
Byrd	Hutchinson	Sarbanes
Campbell	Hutchison	Schumer
Cantwell	Inouye	Sessions
Chafee	Jeffords	Shelby
Cleland	Johnson	Smith (OR)
Clinton	Kennedy	Snowe
Cochran	Kerry	Specter
Collins	Kohl	Stabenow
Conrad	Landrieu	Stevens
Corzine	Leahy	Torricelli
Daschle	Levin	Warner
Dayton	Lieberman	Wellstone
Dodd	Lincoln	Wyden

NAYS—24

Bond	Feingold	Nickles
Brownback	Frist	Roberts
Carnahan	Gramm	Santorum
Carper	Grassley	Smith (NH)
Craig	Gregg	Thomas
Crapo	Inhofe	Thompson
DeWine	Kyl	Thurmond
Ensign	Lott	Voinovich

NOT VOTING—1

Helms

The PRESIDING OFFICER. On this vote the yeas are 75, the nays are 24. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. REID. I move to reconsider the vote.

Mr. ROCKEFELLER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. DASCHLE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2003

Mr. DASCHLE. Madam President, under the authority granted to me and after consulting with the Republican leader, I now call up Calendar No. 504, H.R. 5121, the legislative branch appropriations bill.

The PRESIDING OFFICER. The leader has that right. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 5121) making appropriations for the Legislative Branch for the fiscal year ending September 30th, 2003, and for other purposes.

The PRESIDING OFFICER. Under the previous order, the text of S. 2720, the Senate committee-reported bill, is inserted in the appropriate place in the measure.

Who yields time?

The Senator from Illinois.

AMENDMENT NO. 4319

Mr. DURBIN. Madam President, I ask unanimous consent to make a technical correction to the bill relating to a House matter. This amendment simply strikes a requirement that the GAO report to the House Administration Committee regarding its work on the Architect of the Capitol. We have been informed the committee does not have oversight for the Architect and therefore have been requested to delete this reference. I have consulted with my colleague and the ranking member, Senator BENNETT, and I ask unanimous consent this technical correction be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself and Mr. BENNETT, proposes an amendment numbered 4319.

Mr. DURBIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment was (No. 4319) was agreed to, as follows:

On page 33, lines 19 and 20, strike '', the Committee on House Administration of the House of Representatives,''.

On page 34, line 24, through page 35, line 1, strike ''the Committee on House Administration of the House of Representatives,''.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Madam President, I thank my colleague and chairman of the committee, the Senator from West Virginia, for his help in bringing this matter to the floor.

Mr. President, I am honored to present to the Senate the fiscal year 2003 legislative branch appropriations bill as reported by the Appropriations Committee. I thank the chairman and ranking member of the full committee, Senate BYRD and Senator STEVENS, and of course my ranking member Senator BENNETT who has been a real partner in crafting this legislation.

The bill is within its budget authority and outlay allocation, with total funding of $2.417 billion. This excludes House amounts which is the normal protocol.

This is only $8 million—0.35 percent—over the request level and $164 million or 7 percent over the fiscal year 2002 enacted level. Virtually all significant increases are focused on enhancing security for the Capitol complex.

Highlights of the bill include—$675 million for the Senate, $31 million over the enacted level and $11 million below the request. Significant increases are provided for the Sergeant-at-Arms, directed at increasing the security of the Capitol complex, including new mail handling protocols and a new Office of Emergency Preparedness.

For the Architect of the Capitol, funding would total approximately $396 million compared to the request level of $363 million. The largest project in the Architect's budget that we are recommending is the expansion of the Capitol power plant's west refrigeration plant, which is critically needed due to aging equipment and increased capacity requirements, at a cost of $82 million. In addition, a number of critical security-related projects have been included such as an alternate computing facility for the legislative branch.

The bill includes language aimed at helping the Architect of the Capitol improve his operations by creating a new deputy Architect of the Capitol who will also serve as the chief operating officer.

We have worked closely with the General Accounting Office in these efforts to upgrade AOC operations, including a greater focus on worker safety, and I might add significant progress has been made in the last year due to the efforts of this committee and the cooperation of the Architect's office, project management, accountability for performance, and coordination of roles and responsibilities.

The Architect of the Capitol operation has been making some improvements over the past year and the employees worked very hard to do their part in addressing the anthrax cleanup, an historic challenge to all who worked on Capitol Hill. But there is much more to be done in making AOC a best-practices organization.

They have been given tremendous additional responsibilities for executing a myriad of security projects, particularly the Capitol Visitor Center—which we want to ensure remains on schedule and on budget as it is today. Any visitor to Capitol Hill in the last 6 months or a year has noted the extensive construction underway. The authorities included in this bill should provide new tools with the goal of making the AOC a model for facilities management and construction management.

Funding for the Capitol Police totals roughly $210 million which reflects their latest payroll and expense estimates. Funding has been provided to accommodate at 9.1 percent pay raise—which includes comparability pay—to help the Capitol Police recruit and retain new officers as they attempt to increase significantly the force size over the next few years to about 2,000 officers. Also included is authority for increasing pay for specialty assignments and providing authority and funding for full premium pay earned during the September 11th and October 15th incidents.

I can say that the hundreds of thousands of visitors to Capitol Hill understand the important responsibility of the Capitol Police which was enhanced and challenged by September 11. We want to make certain that we have the very best men and women to protect this great national asset, all the people who work here, and our visitors whom we treasure very much.

This bill will require that within 3 years the Library of Congress, just across the street, and Capitol Police officers be merged in order to improve security. This has been an initiative urged and encouraged by my colleague, Senator BENNETT. The 3-year implementation period will allow time to work out the details, differences in retirement, training and equipment.

The Government Printing Office, $122 million is included with the directive to the administration not to implement the recently announced policy directing agencies to violate our law and bypass the Government Printing Office for their printing needs. If such a directive were implemented, not only would the law be broken, but the process by which 1,300 Federal depository libraries receive Government publications would be decimated.

For the Library of Congress, including the Congressional Research Service, funding would total $497 million, an increase of $15 million over the enacted level, but $15 million below the request, reflecting a more realistic projection of the cost of new positions. New positions are provided for preserving the access of the Library's collections, including digital initiatives.

The General Accounting Office will receive $455 million. This covers all mandatory and price level increases, and includes $1 million to continue their important technology assessment work which was initiated by Congress last year.

The recommendation includes $13 million for the Center for Foreign Leadership Development. We have expanded what was originally the center for Russian Leadership Development to include newly independent states of the former Soviet Union including the Baltics. This program has proven successful in bringing emerging political leaders in Russia to the United States to learn democracy firsthand and to make certain they take those lessons home. Expanding this program to include these additional countries will continue to promote that critical goal.

Before I turn it over to my colleague and friend Senator BENNETT, I want to particularly thank all the staff on the Appropriations Committee for their work, and especially Carrie Apostolou, who has done a tremendous amount of work to make this bill ready for floor consideration, and Pat Souders of my own staff, who has worked closely with her.

I thank Senator BENNETT for his cooperation, and I yield the floor to my colleague.

The PRESIDING OFFICER. The Senator from Utah.

Mr. BENNETT. Madam President, I am grateful for the generous remarks

of my friend and chairman, the Senator from Illinois. I am grateful for the cooperative way in which we have been able to work through this bill.

The Senator from Illinois had the challenge of taking over this subcommittee in the middle of the session, and he had just come to the subcommittee by virtue of his assignment to the Appropriations Committee. He has demonstrated that he is a very quick study. He has moved quickly to get on top of these issues.

I do not want to repeat the various elements of the bill he has described, but it is a good bill and it is one that I am happy to join in recommending to the Senate.

As the Senator from Illinois has indicated, I have been advocating for some time a merger of the Capitol Police, at least with the Library of Congress Police, and looking at the other police agencies that are under our jurisdiction. We are now moving ahead with this. I think it only makes sense, in the new security environment in which we find ourselves. To have an area as small as the Capitol campus be divided up into jurisdictions under, not necessarily competing but certainly different police departments, does not make a whole lot of sense.

I have made reference to this before, but I think it is appropriate here. One of the things that was particularly significant for the success of the Olympics in Utah was the coordination that occurred between competing law enforcement agencies. Of course, we were involved in a much bigger venue there, a much larger geographic area, but it was important that everybody got together and was able to communicate.

Given the small nature but highly visible nature of the Capitol campus, it makes sense to have the police come together. I am grateful to my friend from Illinois for his support and leadership on this particular issue.

We all know about the Visitor Center. We can't come into the Capitol without having it in our face every day. But the demands of the Architect of the Capitol to bring that project through are significant. So I think the decision of the committee to fund a Deputy Architect of the Capitol, creating a full-time manager for the day-to-day activities of the Architect of the Capitol, is the right decision.

Senator DURBIN has been particularly aggressive in trying to solve some of the management challenges the Architect of the Capitol has had over the past years. The decision to move toward a Deputy Architect, toward an operating officer to run the office of the Architect of the Capitol, is a good decision, and I think we need to highlight that in this bill.

Finally, I want to make a personal comment about a very small but maybe high-profile aspect of this bill, which is the Russian Leadership Conference that now has been expanded, as Chairman Durbin has indicated, to include other countries.

During the Fourth of July break, I was in Russia. This was the fourth time I had been there. I was very pleasantly surprised at the high degree of pro-American atmosphere we ran into. I was in Russia before when there was, frankly, an underlying current of suspicion—I wouldn't go so far as to say anti-American attitude in Russia, but suspicion of America and America's motives. We got that over the issue of the expansion of NATO, for which I voted and which I supported.

The first time I met with members of the Russian Duma, they were automatically anti-expansion of NATO. And no matter what we tried to talk about, they would always bring it back to NATO and, what are you Americans doing?

On this occasion, we met with officers of the National Council. They told us they were going to rename it the Senate because they indicated they did not get appropriate respect in their own country, when everybody thought of the parliament being the Duma and they thought of themselves as the upper house. We are very careful in this Congress that we never use that term. And they thought, if they renamed themselves the Russian Senate, they would get appropriate respect.

One of the members of that council told me this story. He said: My grandmother told me that all her life she has been taught to mistrust, indeed fear, NATO. However, she said, in the present atmosphere, if President Putin tells me that NATO is no longer a threat, I guess I am going to have to change my point of view.

He told me that story to illustrate President Putin's popularity in Russia, but I took that story to indicate a significant change in Russian attitudes toward Americans, and it has been the Russian leadership group that has been participating in this function, that we have been funding out of this subcommittee, that has helped plant the seeds of that kind of circumstance.

So even though it is a relatively small amount and has been a controversial program with Members of the House of Representatives, I can give personal testimony, if you will, that it has borne fruit, that the fruit has been significant, and I congratulate Senator DURBIN on his continued support of this program and its expansion into other countries as well.

So, Madam President, I am happy to join with Senator DURBIN in recommending this bill to the other Members of the Senate and urging its passage.

Mr. CONRAD. Mr. President, I rise to offer for the record the Budget Committee's official scoring for S. 2720, the Legislative Branch Appropriations Act for Fiscal Year 2003.

The Senate bill provides $2.417 billion in discretionary budget authority. Per tradition, that amount does not include funding for exclusive House items, which will be added in conference. The discretionary budget authority will result in new outlays in 2003 of $1.935 billion. When outlays from prior-year budget authority are taken into account, discretionary outlays for the Senate bill total l$2.547 billion in 2002.

The Appropriations Committee voted 29–0 on June 27 to adopt a set of nonbinding sub-allocations for its 13 subcommittees totaling $768.1 billion in budget authority and $793.1 billion in outlays. While the committee's subcommittee allocations are consistent with both the amendment supported by 59 Senators last month and with the President's request for total discretionary budget authority for fiscal year 2003, they are not enforceable under either Senate budget rules or the Balanced Budget and Emergency Deficit Control Act. While I applaud the committee for adopting its own set of sub-allocations, I urge the Senate to take up and pass the bipartisan resolution, which would make the committee's sub-allocations enforceable under Senate rules and provide for other important budgetary disciplines.

For the Legislative Branch Subcommittee, the full committee allocated $3.413 billion in budget authority and $3.467 billion in total outlays for 2003. The bill reported by the full committee on July 11 is fully consistent with that allocation. In addition, S. 2720 does not include any emergency designations or advance appropriations.

I ask for unanimous consent that a table displaying the budget committee scoring of this bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2720, LEGISLATIVE BRANCH, 2003

[Spending comparisions—Senate-Reported Bill (in million of dollars)]

	General purpose	Mandatory	Total
Senate-reported bill:[1]			
Budget Authority	2,417	102	2,519
Outlays	2,547	101	2,648
Senate committee allocation:[2]			
Budget Authority	3,413	102	3,515
Outlays	3,467	101	3,568
House-reported bill:			
Budget Authority	2,674	102	2,776
Outlays	2,856	101	2,957
President's request:[3]			
Budget Authority	3,404	102	3,506
Outlays	3,451	101	3,552
SENATE—REPORTED BILL COMPARED TO:			
Senate committee allocatin:			
Budget Authority	−996	0	−996
Outlays	−920	0	−920
House-reported bill:			
Budget Authority	−257	0	−257
Outlays	−309	0	−309
President's request:			
Budget Authority	−987	0	−987
Outlays	−904	0	−904

[1] Per tradition, the Senate bill does not include funding for exclusive House items, which will be added in conference.

[2] The Senate has not adopted a 302(a) allocation for the Appropriations Committee. The committee has set non-enforceable sub-allocations to its 13 subcommittees. This table compares the committee-reported bill with the committee's allocation to the Legislative Branch Subcommittee for informational purposes only.

[3] The President requested total discretionary budget authority for 2003 of $768.1 billion, including a proposal to change how the budget records the accrued cost of future pension and health retiree benefits earned by current federal employees. Because the Congress has not acted on that proposal, for comparability, the numbers in this table exclude the effects of the President's accural proposal.

Notes: Details may not add to totals due to rounding.

Prepared by majority staff, 07–25–02.

Mr. MCCAIN. Mr. President, I thank the managers of this bill for their hard work in putting forth this legislation

which provides Federal funding for the legislative branch.

In reviewing this bill to determine whether it contains items that are low-priority, unnecessary, wasteful, or have not been appropriately reviewed in the normal, merit-based prioritization process, I applaud the Appropriations Committee for their fiscal restraint in including a minimal number of such items.

For this legislation, only two locality-specific earmarks appear to be included. The bill itself includes $200,000 for Southern Illinois University for the purpose of developing a permanent commemoration of the Lewis and Clark Expedition. And an amendment to this bill that was adopted on the Senate floor provides $500,000 for the Alexandria Museum of Art and the New Orleans Museum of Art for activities relating to the Louisiana Purchase Bicentennial Celebration.

How refreshing it would be if the Appropriations Committee would demonstrate the same fiscal responsibility they showed in preparing this legislation in every one of the remaining appropriations bills. Unfortunately, this bill is the exception to the rule, because, as evidenced by the recently passed supplemental appropriations bill, the runaway pork-barrel gravy train shows no signs of slowing down on Capitol Hill.

We must remember that while the amounts associated with each individual earmark may not seem extravagant, taken together they represent a serious diversion of taxpayers' hard-earned dollars at the expense of numerous programs that have undergone the appropriate merit-based selection process. During this time of mounting deficits, we must be more prudent about where we devote limited fiscal resources. I urge all my colleagues to curb the habit of directing hard-earned taxpayer dollars to locality-specific special interests.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 4320

Mr. DURBIN. Madam President, I send to the desk an amendment on behalf of myself and Senator BENNETT and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Illinois (Mr. DURBIN), for himself and Mr. BENNETT, proposes an amendment numbered 4320.

Mr. DURBIN. I ask unanimous consent the reading of the amendment be dispensed with.

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

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

Mr. DURBIN. This amendment relates to the Capitol Police. It will enhance their ability to recruit and retain officers as they struggle to increase their strength while losing officers to other law enforcement agencies. All these changes in the amendment have been requested by the new Chief of Capitol Police, Terry Gainer, and the Capitol Police Board.

Let me say briefly how proud we are that Terry Gainer is the new Chief of Police. Those of us from Illinois and Chicago know Terry Gainer well. He is a former member of the Chicago Police, legal counsel for the Chicago Police Department, and superintendent of the Illinois State Police. He came to Washington, DC, was second in command in this the Capital City, and was then recruited to undertake this important responsibility. I am certain he is going to do an excellent, professional job considering the new challenges facing this department.

The new authorities in the amendment authorize them to hire new officers without regard to age. There are technical corrections to existing authorities regarding recruitment and relocation bonuses and premium pay for unscheduled overtime. It also includes technical corrections to the committee bill regarding the consolidated disbursing function for the Capitol Police, salaries, appropriations. All of those are technical in nature, and I urge the adoption of the amendment.

Mr. BENNETT. Madam President, as indicated by my cosponsorship of the amendment, I endorse what Chairman DURBIN has said and urge the Senate to adopt the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Without objection, the amendment is agreed to.

The amendment (No. 4320) was agreed to.

AMENDMENT NO. 4321

Mr. DURBIN. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for Ms. LANDRIEU, proposes an amendment numbered 4321.

Mr. DURBIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To set aside funds for activities relating to the Louisiana Purchase Bicentennial Celebration)

On page 44, line 24, before the period, insert the following: '': *Provided further*, That, of the total amount appropriated, $500,000 shall remain available until expended and shall be equally divided and transferred to the Alexandria Museum of Arts and the New Orleans Museum of Art for activities relating to the Louisiana Purchase Bicentennial Celebration''.

Mr. DURBIN. Madam President, the amendment would provide $500,000 within the Library of Congress appropriations for activities related to the Louisiana Purchase Bicentennial Celebration. I urge its adoption.

Mr. BENNETT. Madam President, I have no objection to this amendment.

The PRESIDING OFFICER. Is there further debate?

Without objection, the amendment is agreed to.

The amendment (No. 4321) was agreed to.

Mr. DURBIN. Madam President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4322

Mr. DURBIN. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself, Mr. COCHRAN, and Mr. BENNETT, proposes an amendment numbered 4322.

Mr. DURBIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: Provide funding for the Congressional Award Act)

On page 28, line 11, strike ''$108,743,000'' and insert ''$108,243,000''.

On page 63, insert between lines 10 and 11 the following:

SEC. 312. TITLE II OF THE CONGRESSIONAL AWARD ACT.

There are appropriated, out of any funds in the Treasury not otherwise appropriated, $500,000, to remain available until expended, to carry out title II of the Congressional Award Act 92 U.S.C. 811 et seq.).

Mr. DURBIN. Madam President, this amendment which we are currently considering provides $500,000 for the recently reauthorized Congressional Award Act offset by the reduction in the budget of the Architect of the Capitol. I urge its adoption.

Mr. BENNETT. Madam President, I have no objection to this amendment as illustrated by my cosponsorship.

The PRESIDING OFFICER. Is there further debate?

Without objection, the amendment is agreed to.

The amendment (No. 4322) was agreed to.

Mr. DURBIN. Madam President, I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4323

Mr. DURBIN. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for himself and Mr. SPECTER, proposes an amendment numbered 4323.

Mr. DURBIN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: To provide for a pilot program for mailings to town meetings)

On page 5, line 26, insert before the period '', of which up to $500,000 shall be made available for a pilot program for mailings of postal patron postcards by Senators for the purpose of providing notice of a town meeting by a Senator in a county (or equivalent unit of local government) with a population of less than 250,000 and at which the Senator will personally attend: *Provided*, That any amount allocated to a Senator for such mailing shall not exceed 50 percent of the cost of the mailing and the remaining cost shall be paid by the Senator from other funds available to the Senator: *Provided further*, That not later than October 31, 2003, the Sergeant at Arms and Doorkeeper of the Senate shall submit a report to the Committee on Rules and Administration and Committee on Appropriations of the Senate on the results of the program''.

Mr. DURBIN. Madam President, this amendment, on behalf of Senator SPECTER, provides up to $500,000 in the miscellaneous items account of the Senate for a pilot program and additional funds for town meeting notices, an issue which Senator SPECTER has pursued for quite some time.

In the fiscal year 2002 appropriations, we provided separate funds for town meeting notices subject to a Rules Committee authorization, which has not yet occurred.

I would like to point out that Senators, on average, spend less than half the amount budgeted for franked mail—less than $3 million out of the $7.6 million budget. In addition, last year only a small number of Senators used town meeting notices. No Member, other than the Senator from Pennsylvania, has indicated the budget is inadequate. It doesn't appear that we have a significant problem, but in order to determine whether or not there is an interest in promoting town meetings with notices attendant thereto, and how widespread that problem might be, we have agreed to this pilot program for 1 year.

We have requested that by the end of the next fiscal year the Sergeant at Arms and the Doorkeeper of the Senate shall submit a report to the Committee on Rules and Administration and the Committee on Appropriations.

Mr. REID. Madam President, if I may take a few minutes, I will be very brief.

I wish to say a few things while the two managers of this bill are here. I had the opportunity in several Congresses to chair the Appropriations Legislative Branch Subcommittee. I can truly say that it was one of the most rewarding experiences I have had as a Member of Congress.

I understand how important the Library of Congress is to our country. We have certainly learned that with this bill. We were going through the years and there were cuts. No one wants to cut the Library of Congress. It is so important to the people of our States and of our Nation. Of the 13 appropriations bills, this one gets a lot of attention. It is as important as any of the appropriations bills.

I want to take a brief period of time to tell the two managers of this bill how impressed I am and how grateful I am for their recognition of the Capitol Police. There has never been a time, in my opinion, where we have recognized the dedication of the Capitol Police as it is recognized in this bill.

We went through a ceremony yesterday where we placed roses on the table in front of the pictures of the two fallen police officers—Gibson and Chestnut. When we walk in this building every day, these dedicated men and women are standing there, a lot of times not doing a lot, but every day they are there waiting to take bullets for us or for anyone who comes into this building which they are protecting. They do such good work.

The Capitol Police Force is well trained. They are as well trained as any police force in the country. As a result of this legislation, they will be better trained, better paid, and better recognized for the work they do.

I want this RECORD spread with the appreciation of the Senate and the people of Nevada and every other State where people come here and feel so safe as a result of the Capitol Police. As I said, I want the RECORD spread with the appreciation of the American people for the work the Senator from Illinois and the Senator from Utah have done on this legislation. It is landmark. It is so appreciated by me and every Capitol policeman. And anyone who knows anything about this legislation—or could learn—would also feel the same as I do.

Mr. DURBIN. Madam President, I thank my colleague from the State of Nevada for those kind words on behalf of myself and Senator BENNETT. I am glad he made reference to the memorial service yesterday for Officers Gibson and Chestnut, because it is a sad reminder of the important responsibility that the Capitol Police have undertaken on behalf not only those of us who are privileged to work in this building but the thousands and thousands of visitors who come here for the thrill of a lifetime to see this seat of democracy. Those two men gave their lives in service to our country. We should be reminded at all times that all the members of the Capitol Police Force are prepared to do the same.

There is no stronger advocate for the Capitol Police than Senator HARRY REID of Nevada. He speaks to me annually when this issue comes up to make certain we have not overlooked any element in terms of modernizing and professionalizing the Capitol Police. He is simply their strongest voice on the Senate floor.

I might also add that a close second is Senator WELLSTONE of Minnesota, who has a close, personal friendship with so many of the members of the Capitol Police. He comes to me regularly with observations that really come from the heart. I thank him for his inspiration as well.

I think this bill meets the needs of the Capitol Police. And as long as I am in this position or in any capacity, I will continue to strive for that goal.

I believe pending before us now is the amendment relative to the account for mailing of town meeting notices, which Senator SPECTER of Pennsylvania has asked us to include.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, at the outset, I thank my distinguished colleagues, the Senators from Illinois and Utah, for holding this matter until my arrival. I came as soon as I finished my round of questioning of the Attorney General, who is currently before the Judiciary Committee.

This amendment provides for $500,000 to be made available for a pilot project for mailings of postal patron postcards by Senators for the purpose of providing notice of town meetings in counties with populations of less than 250,000.

The reason for this amendment is to stimulate town meetings by Senators and to make us more aware as a body, individually and collectively, of what our constituents are thinking.

Until fairly recently, there was no limitation on mail and notices could be sent out to the largest of counties at a very considerable expense as a matter of record, so that the public knew how much a Senator was spending. Those figures were published with some frequency as to the mail expense accounts.

My own thinking is that there is no better use of our expense accounts than to communicate with our citizens about where we go personally to hear what is on their minds. Within the beltway, we are very insulated. In fact, people beyond the beltway do not even know what the ''beltway'' expression means. However, when we talk to each other, and do not communicate with our constituents, we do not have a feel for what is going on. The basis of representative democracy is that we are reflecting the will of our constituents. In order to do that, we have to know what it is.

When I say reflecting the will of the constituents, I do not mean taking a public opinion poll, or even if there is an enormous preponderance of the constituents, to follow that without question. I think Edmond Burke, centuries ago, laid down the proper standard, that an elected official in a representative democracy owes to his constituents his independent judgment. One of the factors Edmond Burke enumerated was the concerns, sensibilities, and views of the constituent.

These town meetings are very difficult affairs, perhaps even categorized as rough affairs. I have done 19 of them during the month of July, mostly during the Fourth of July recess.

My practice, which I know is standard for many of my colleagues who undertake these meetings, is to make a very short introductory statement, limiting it to five, six, or seven minutes, and then to respond to questions.

The questioning segment is the hot spot. I know the Presiding Officer and the other Senators in the Chamber, and any who may be watching on C-SPAN, know that because we have all had the experience.

This is not puff mail which you send out, where the effort has been made to limit what a Senator can do, sending pieces extolling the virtues of the individual Senator. This is an occasion where you are really on the line and have to identify and justify your votes and your positions.

Beyond the votes and existing positions, the town meetings acquaint a Senator with many issues the Senator does not know about, and that is the educational process. So it is not only a matter of responding to constituents, rather it is learning from constituents what the new issues are.

Since I completed the town meetings in July, I can say to my colleagues that there is great interest out there in Pennsylvania—and I believe Pennsylvania is a very representative State with more than 12 million people—about the need for a prescription drug program. The seniors are really hurting. Many instances were called to my attention by individuals who have low income with very high pharmaceutical bills. This is something that is really at the very top of the agenda. Enron and corporate scandals, prescription drugs, and terrorism were the three major subjects I heard about in the town meetings.

I am hopeful—and I have talked to authors of the bills on both sides—we will come to an agreement here and we will legislate on this subject and let it go to conference with the House of Representatives. I believe our job is to reconcile the differences. While we are talking about substantial sums of money, in the overall picture, an accommodation is better than having Senators adhere strictly to some top-dollar figure and not go beyond that. I believe there is a majority in the Senate to reach an accommodation somewhere between what the proposed bills have specified. My soundings are that a prescription drug program is something the American people not only want, but really need.

Along the same line, I sense overwhelming anger about what is happening in corporate America and what is happening with Enron and WorldCom, which were the subjects during the Fourth of July recess. This is not some theoretical matter about fraud and criminal conduct that ought to be prosecuted, this is a matter which is reaching Mr. Average American, Mr. Lower Income American, regarding retirement funds, which have been fractionalized. I am glad to see the conferees agreed on a program yesterday, with the Senate bill taking dominance.

Even with the work I have had as a prosecutor on fraud cases and business fraud, I am surprised at what has happened here. Every day there is a new revelation. For the major banks to be complicit, at least according to public reports on Enron, is beyond shocking.

We really rely, in our society, on the accountants, the attorneys, and the bankers, who are really in a quasi-fiduciary, if not strictly fiduciary capacity, to catch these matters, and especially where it is so lucrative. For them to yield to the pressure to cut corners and to sanction fraud in order to keep a customer or to please a customer is just really beyond the pale.

We have had a lot of problems in the long history of this country, however, I think this is one of the most extraordinary. The day before yesterday, we found out about the bankers being complicit, or allegedly complicit, with Enron. We see the SEC investigation disclosed yesterday, as stated in this morning's press, about AOL having fraudulent transactions and boosting their profits fraudulently. It is a surprise to me that an entity as sophisticated as Time Warner would be taken in by corporate chicanery.

So these are matters which are very much on the minds of the American people. You have to go to a town meeting and take the temperature of the people to really see how very serious it is.

This amendment provides that $500,000 will be used to send out postal patron notices, providing that the Senator pays 50 percent. So we have a good co-pay provision here. Senators are not going to be inclined to send these postal patron notices out without having to pay for one-half of the cost themselves, with the critical requirement that the Senator has to appear. The limitation is put on counties with fewer than 250,000 people because if you send it to a county such as Allegheny County, which has Pittsburgh, or Philadelphia County, it is an enormous expense. We can communicate with our constituents in those major metropolitan areas in ways other than by coming to the county.

However, if you talk about Potter County, in north central Pennsylvania, on the northern tier abutting New York State, or you talk about Fulton County, on the Maryland border, those folks really like to see you. You send out a notice, and you get 35 people, and you sit and talk to them. I was in Forest County, and we did not get 35 people, however, I learned a lot from being in Forest County. I think the people in Forest County learned something, too.

So I thank my colleagues for accepting this amendment. We had it in last year at a higher figure, subject to authorization. We could not get the hearing worked out. However, I know that this is a test case. I am going to be encouraging my colleagues to do these town meetings, so when the audit comes up, my name is not the only name listed as a recipient. We will await the results of the audit on the pilot program to see just how effective and important this program is.

Again, I thank my colleagues and thank the Chair, and I yield the floor.

Mr. DURBIN. Madam President, I thank the Senator from Pennsylvania.

If there is no further debate on this amendment, I urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Without objection, the amendment is agreed to.

The amendment (No. 4323) was agreed to.

Mr. DURBIN. I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4324

Mr. DURBIN. Madam President, I send an amendment to the desk on behalf of Senator DODD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Illinois [Mr. DURBIN], for Mr. DODD, proposes an amendment numbered 4324.

Mr. DURBIN. Madam President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

(Purpose: Providing public safety, exception to inscriptions requirement on mobile offices)

On page 9, between lines 17 and 18, insert:

SEC. . PUBLIC SAFETY EXCEPTION TO INSCRIPTIONS REQUIREMENT ON MOBILE OFFICES.

(a) IN GENERAL.—Section 3(f)(3) under the heading ''ADMINISTRATIVE PROVISIONS'' in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (2 U.S.C. 59(f)(3)) is amended by adding at the end the following flush sentence:

''The Committee on Rules and Administration of the Senate may prescribe regulations to waive or modify the requirement under subparagraph (B) if such waiver or modification is necessary to provide for the public safety of a Senator and the Senator's staff and constituents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act and apply to the fiscal year that includes such date and each fiscal year thereafter.

Mr. DURBIN. Madam President, this amendment amends title II of the U.S. Code to authorize the Rules Committee to establish regulations to waive or modify requirements on mobile offices for public safety reasons.

Mr. BENNETT. Madam President, I am in favor of this amendment.

Mr. DURBIN. Madam President, if there is no further debate on the amendment, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Without objection, the amendment is agreed to.

The amendment (No. 4324) was agreed to.

Mr. DURBIN. I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DURBIN. Madam President, unless the Senator from Utah has any further amendments or modifications, I do not believe there are any additional actions on the bill.

Mr. BENNETT. Madam President, one of the pleasures of handling this bill is that there are almost always no additional amendments or complications.

Mr. DURBIN. I thank the Senator from Utah and yield back all my time.

The PRESIDING OFFICER. Does the Senator from Utah yield back his time as well?

Mr. BENNETT. The Senator from Utah yields back all his time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. Under the previous order, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Madam President, I ask unanimous consent that the vote on passage of H.R. 5121, the legislative branch appropriations bill, occur at 1:50 p.m. today, with rule XII, paragraph 4 being waived.

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

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that there be a period of morning business with Senators allowed to speak therein for a period not to exceed 10 minutes each up until 1:50 today, the time set for the vote, and the time to be equally divided and controlled in the usual form between the two leaders or their designees.

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

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

GREATER ACCESS TO PHARMACEUTICALS ACT

Mr. HATCH. Mr. President, I rise to speak on the pending legislation, S. 812, the Greater Access to Pharmaceuticals Act. Even if I had major differences of opinion on the substance of this legislation, I commend Senators MCCAIN and SCHUMER, KENNEDY and EDWARDS for their efforts in this area.

I especially wish to recognize the efforts of Senators KENNEDY, EDWARDS, and COLLINS for their work, which was almost a complete rewriting of the McCain-Schumer bill. Let me also hasten to commend Senators GREGG and FRIST for working to improve the bill that emerged from the HELP Committee and for their leadership during the debate.

Mr. President, last week, I provided a brief summary of the existing statute that S. 812 seeks to amend, the Drug Competition and Patent Term Restoration Act of 1984. I happen to know something about this law, which is commonly referred to as the Waxman-Hatch Act, or alternatively, the Hatch-Waxman Act.

Last week, I gave an overview of my concerns with the HELP Committee legislation. With those comments in mind, today, I want to delve further into the details of the HELP Committee re-write of S. 812 the bill originally introduced by Senators MCCAIN and SCHUMER.

The central components of S.812 are aimed at rectifying concerns raised in recent years over two features of the 1984 law: first, the statutory 30-month stay granted to a pioneer firm's facing legal challenges to its patents by generic competitors; and, second the 180-day period of marketing exclusivity awarded to generic drug firms that successfully challenge a pioneer firm's patents.

During debate on S. 812, there have been a number of comments indicating that there is a substantial problem with these two provisions. That may or may not be the case. One great disadvantage of holding the floor debate at this time is that we do not have the benefit of an extensive Federal Trade Commission survey of the pharmaceutical industry that focuses on precisely these two issues that go to the heart of S. 812 and the substitute adopted by the HELP Committee. The results of this long-awaited, extensive, industry-wide FTC survey are expected in a few weeks.

I have stated on numerous occasions that before this body undertakes a substantial rewrite of provisions central to the Hatch-Waxman Act, we should have the benefit of the FTC study and its implications.

The Senate could have taken a more prudent course. The Senate could have waited for the FTC report. We—and by we I specifically include the Senate Judiciary Committee—could have held hearings on the FTC study, evaluated the data, and then discussed, debated, and refined the actual, now barely two-week old, legislative language that is pending on the floor today.

But this was not possible due to the tactical decision of the Majority to dispense with the regular order so as to minimize the politically-inconvenient fact that the Senate Finance Committee would have most likely have rejected any Democratic Medicare drug proposal in favor of the Tripartisan approach.

To my great disappointment, although not anyone's great surprise, we failed to arrive at the 60-vote consensus required to enact a Medicare drug bill in the Senate. Make no mistake about it. This is a great failure for the American people because for two years now we have set aside $300 billion in the federal budget to be spent over 10 years to provide prescription drug coverage for Medicare beneficiaries.

We have all heard from elderly constituents many of whom live on limited, fixed-incomes—who have had substantial difficulties in paying for prescription drugs. Rather than rise to the occasion and make good on our promise to rectify that situation, and we are letting this abundant opportunity slip between our fingers.

I am very disappointed with the outcome of the votes Tuesday. It is my hope that we can find a way to come together on the important issue of a Medicare drug benefit for our seniors.

At a minimum, we should use the $300 billion already in the budget to expand drug coverage for those seniors who need the most help. What we should not do is enact an expensive, government-run scheme that could bankrupt our country and plunge our economy further into the abyss when the government usurps what should legitimately be a private-sector-run benefit.

The collapse of any 60-vote consensus on the Medicare drug benefit does not show the public the type of bipartisan spirit that voters across the country say they prefer, in poll after poll after poll.

And so, we move back to the important, if more mundane, matters in S. 812.

One of the real marvels of this debate is that we have finally found out who the bad guys are in this debate.

It is not the government that has failed to make good on the promise to provide needy seniors with pharmaceutical coverage.

No, it's the pharmaceutical industry, an industry that is working day and night to bring us the medicines, the miracle cures that seniors seek.

I just had no idea that is who was going to be blamed.

This game plan comes right out of the Clintoncare play-book. As you hear attack after attack on the drug companies, I just want all of you listening to this debate to know that a similar tactic was employed by the Democrats when they tried to foist Clintoncare on a very unreceptive public back in 1993 and 1994.

Here is how David Broder and Haynes Johnson, two highly respected journalists, described the tactics of the Clinton White House in trying to pass its too grand health care reform plan:

This quote is from ''The System,'' a book by Haynes Johnson and David

Broder, two leading political writers in this town, both of whom write for the Washington Post. Neither of them would be considered, by any stretch of the imagination, conservative. This is what they had to say in this book called ''The System,'' talking about the American way of politics and how health care policy is formed:

In the campaign period, Clinton's political advisors focused mainly on the message that, for ''the plain folks, it's greed—greedy hospitals, greedy doctors, greedy insurance companies. It was an us versus them issue, which Clinton was extremely good at exploiting.

This is the second quote:

Clinton's political consultants—Carville, Begala, Grunwald, Greenberg—all thought ''there had to be villains.'' At that point, the insurance companies and the pharmaceutical companies became the enemy.

As you can see, here are two liberal political writers who summarized the Clinton health plan.

Villains . . . enemies all this sounds familiar in this debate. So, I will stipulate for the purpose of this debate that the pharmaceutical industry is the designated villain.

It strikes me as curious at least that the sector of the economy that plows back the highest portion of its revenues back into research—and research on life-threatening diseases no less—is treated with such disdain, at times even contempt, on the floor of the Senate.

Mr. President, from what has been said on the floor of the Senate you would think that this industry is trying to cause cancer, not trying to find cures.

I note that Senator KENNEDY has suggested our nation's biomedical research establishment has not really made much progress over the past few decades in terms of developing new drugs. I think the facts speak otherwise.

For example, consider the array of medicines that have been developed to treat HIV infection and the complications of AIDS. Through the unique public/private sector partnership that comprises the U.S. biomedical research enterprise, AIDS is being transformed from an invariably fatal disease into a chronic condition that we are so hopeful one day will have a cure.

These advances do not come easily or on the cheap. I would note the exciting reports from the recent International AIDS meeting in Barcelona concerning the new class of AIDS medications represented by the new drug, T–20. Unlike many of the current anti-retroviral medications like AZT that seek to inhibit the replication of the HIV virus, T–20 attempts to block entry of the virus into healthy cells.

Here is what one press account has said about this still unapproved, but highly promising drug:

But it takes 106 steps more than 10 times the usual number of chemical reactions to make the lengthy peptide, making production a serious factor in its price. Roche refurbished a plant in Boulder, Colorado, just to make T–20. Almost 100,000 pounds of specialized raw materials are needed to make a little more than 2,200 pounds of the drug. In all, Roche has invested $490 million in T–20's development and manufacturing.

Let us not be too quick to characterize as villains and enemies those scientists and companies who are working every day to overcome dread diseases like AIDS. Think of the imagination and expertise required to design all 106 chemical reaction required to make T–20. How many times must they have failed to come up with the correct chemical pathway?

I might add, as Senator FRIST pointed out on the floor last week, that infectious disease experts like Dr. Tony Fauci at NIH have said that despite the substantial promise of T–20, there is still more work to be done on this drug. Specifically, it is imperative to develop a tablet form of this currently intravenous preparation if we will be able to effectively use the product in the Third World.

Some in this debate have minimized the importance of product formulation patents and have suggested that such patents should not be eligible for the 30-month stay. But public health experts such as Dr. Anthony Fauci one of the leading experts in the world, are telling us that the formulation of drugs like T–20 is critical. Who is to say that the steps in addition to the 106 steps already painstakingly identified to make the IV preparation necessary to make a tablet form of the drug are not worthy of the same protection afforded other pharmaceutical patents since 1984?

And if it turns out that such a formulation patent issues more than 30-days after FDA can one-day approve a new drug application for a tablet form of T–20, why should this patent be given less procedural protection than other related patents? But this differential treatment of patents is exactly what could occur if we adopt the pending legislation.

Mr. President, the Hatch-Waxman Act has been called one of the most important consumer bills in history. It has helped save consumers, by the Congressional Budget Office reckoning, $8 billion to $10 billion every year since 1984. It created the modern generic drug industry by creating this delicate balance between the pioneer research companies, and the generic companies that could readily copy drugs under Hatch-Waxman. The scientific work that had taken R & D firms up to 15 years, $800 million and at least 5,000 to 6,000 failed drug companies for each successful new drug could be used by general firms under the 1984 law.

I might add, the Hatch-Waxman Act has brought the generic industry from little over 15 percent of the marketplace to 47 percent as we speak, and it is going up all the time. That is what we thought should happen.

We are at $490 million and still counting for this still unapproved promising new AIDS drug, T–20.

Remarkable progress in the field of drug development has been made over the past 18 years since Waxman-Hatch was adopted. We have seen enormous strides in the treatment of heart disease, diabetes, arthritis, Alzheimer's and many others, including the 200 new drugs that have been approved to treat lower prevalence, so-called orphan diseases another bill that I helped author. I am proud to have been an author of the Orphan Drug Act that has given hope to so many American families.

If our Nation is going to develop diagnostic tests, treatments, and vaccines to prevent and counter attacks of bioterrorism and potential chemical or even nuclear terrorism, just whom do you think is going to develop these products? I will tell you who. It will be those ''villains'' in the pharmaceutical industry, in partnership with government and academic researchers, unless we hamper their ability to do so, if we do not watch ourselves carefully on this Legislation.

At some point we must put aside this one-dimensional, simplistic vilification of the pharmaceutical industry and examine more closely the actual substance of the pending legislation.

Are the PhRMA companies always right? No, they are not, and neither are the generic companies always right. Hatch-Waxman created a delicate balance so they were competitive against each other, and it has worked very well.

It is my strong preference to conduct the debate over amending the Hatch-Waxman Act with our eyes focused on the policies, not the politics.

As I said last week, the pending legislation, S. 812, addresses important and complex issues of patent law, civil justice reform and antitrust policy. A strong case could be made that Senate consideration of this bill would be improved if the Judiciary Committee were given the opportunity to study the legislation, review the Federal Trade Commission report, and make its voice heard in this debate. It seems unlikely that anything resembling this process will unfold given the decision to rush the HELP Committee patent, antitrust, civil justice reform bill to the floor of the Senate.

As a threshold matter, it seems to me that before we adopt S. 812, we should be certain that this bill is consistent with the longstanding goals of the statute S. 812 seeks to amend, the Drug Price Competition and Patent Term Restoration Act.

Let me remind my colleagues, the goals of this law, passed in 1984, are twofold:

First, to create a regulatory pathway that allows the American public to gain access to more affordable generic drugs; and,

Second, to create incentives for manufacturers of pioneer drug products to see that the American public has access to the latest, cutting-edge medicines.

As I described last week, the 1984 law is a carefully balanced statute and contains features designed to accomplish

these two somewhat conflicting goals. This tension is inherent because of the competing nature of the desire, on one hand, to develop breakthrough drugs and, on the other hand, to make available generic copies of these pioneer products.

As legislation is crafted to address the problems that have arisen up in recent years with respect to the Waxman-Hatch law, we must be careful not to devise a remedy that upsets the delicate balance of the law.

I am concerned that the manner in which the HELP Committee substitute tries to fix the two most widely cited shortcomings of the 1984 law may, in fact, disturb the balance of the statute by, in some areas, overcorrecting and, in other areas, undercorrecting for the observed problems.

Specifically, while the manner in which the Edwards-Collins HELP Committee substitute addresses the 30-month stay issue represents a major improvement over McCain-Schumer bill, I am afraid though, the 30-month stay language represents a case of overcorrection.

Last Thursday, I gave a short summary of the key provisions of the Hatch-Waxman Act. It only took me 1 hour and 32 minutes. After providing this background and context, I explained why I thought that the provisions of the pending legislation relating to patent rights and the 30-month stay went too far. Let me reiterate my concerns with the 30-month stay.

As has been stated by many during this debate, a pioneer drug patent holder, whose patents are under challenge by a generic drug manufacturer, is accorded an automatic 30-month stay. This was not some giveaway to the innovator pharmaceutical industry. We inserted this mechanism to protect the intellectual property of companies that develop patented medications, companies, I might add, that were going to be afforded less intellectual property protections than any other industry as part of the 1984 law. We knowingly added this provision because we wanted to give them a fair opportunity to defend their patents. We know that patent litigation is itself a risky endeavor with the federal circuit court overturning about 40 percent of the trial court decisions in some areas of patent law.

The public policy purpose for this stay is to allow time for the courts to determine the status of validity of drug patents and/or to decide whether valid patents are, or are not, infringed by a generic drug challenger.

That was the intent of the law. Many believe—and I share that view—that the 30-month stay provision has come to present problems in two areas: First, later issued patents that trigger last minute 30-month stays; and, second, multiple uses of the 30-month stay provision in a consecutive, over-lapping manner that work to bar generic competition for as long as the litigation can be made to drag on by lawyers who are paid by the hour.

Some in this debate have characterized that both of these problems are at epidemic proportions. While I think there is evidence that problems have occurred and it is important that we work to modify the law so that the 30-month stay can not be misused in the next few years when so many blockbuster drugs come off-patent we should all take a close look at the FTC report before we conclude that as a general matter the entire research-based pharmaceutical industry has systematically abused the 30-month stay. That is just a speculation at this point until we see all the data.

I will be very interested in what the FTC reports on a number of issues—the frequency of use of multiple 30-month stays; stays stemming from late issued patents; the outcome of litigation on the merits when such multiple stays have been employed; and 11th-hour stays exercised due to late-issued patents.

It seems to me that we should be highly skeptical whenever a patent is listed in the official FDA records, called the Orange Book, years after the FDA approved the drug. One would have to think that all key patents would have been at least applied for prior to the end of the lengthy FDA review.

We all know of the now infamous case of the drug, Buspar. An attempt was made to take advantage of the 30-month stay by listing in the Orange Book a new patent of the metabolite form of the active ingredient of the drug literally in the last day before the original patents were set to expire. A Federal district court stepped in to limit the stay to four months, not 30-months. The appellate court found, however, that this forced de-listing of the patent was improper.

My opinion is that Congress, after getting the better understanding of the facts that the FTC report can provide, should address the consecutive stay and last-minute stay problems.

From what I know today, I am not prepared to conclude that the Edwards-Collins substitute is a measured solution to the cited problems. The bill that passed the HELP Committee and is pending on the floor would limit the 30-month stay to those patents issued within 30-days of FDA approval of the drug. The pending legislation contains major improvements over substantial elements of the McCain-Schumer bill, such as the language that would have completely eliminated the 30-month stay in favor of a system that required case-by-case application of injunctive relief. It is also better than the language the HELP Committee Chairman KENNEDY circulated briefly before the mark-up that would have limited to 30-month stay to certain types of patents.

As I laid out in detail last Thursday, given the facts available at this time, I think a better policy may be to permit one, and only one, 30-month stay to apply to all patents issued and listed with FDA prior to the time a particular generic drug application is filed with the agency, which cannot occur under the law until at least four years have elapsed in the case of new chemical entities. At a minimum, I do not see what justification exists to differentiate, for the purpose of the 30-month stay, patents issued prior to four years after the FDA first approves a drug.

I would also add that in most European nations and in Japan, it is my understanding that the law provides a 10-year period of data exclusivity—independent of patent term before a generic copy may be approved for marketing. The public policy behind these periods of data exclusivity is to recognize the fact that in approving generic drugs, the government regulatory agency is relying upon the extensive, expensive—and prior to enactment of Hatch-Waxman, generally proprietary, trade secret—safety and efficacy data supplied by the pioneer firm.

At any rate, as I explained last week, current U.S. law does not even allow a generic drug applicant to challenge a pioneer firm's patents until four years have elapsed. Why shouldn't, for example, a formulation patent issued one year after a drug is approved not be protected by the 30-month stay if the challenge cannot be made for 3 more years?

The 30-month stay must be understood in the context of the complexities of the 1984 Waxman-Hatch law that generally provides 5 years of marketing exclusivity to pioneer drug products as part of the recognition for allowing the generic firms to rely on the pioneer's expensive safety and efficacy data. Moreover, I think that any discussion of the 30-month stay is incomplete if it does not include the fact that, under Hatch-Waxman, generic drug firms are given a unique advantage under the patent code that allows them to get a head start toward the market by allowing them to make and use the patented drug product for the commercial and ordinarily patent infringing purpose of securing FDA approval and scaling up production.

Let me quickly review the general rule against patent infringement that is set forth in Title 35 of the United States Code, section 271(a). It says:

> . . . whoever without authority makes, uses, offers to sell, or sells any patented invention . . . during the term of the patent . . . infringes the patent.

This is a clear, unambiguous protection of property rights, as it should be to protect the creative genius of America's inventors.

Section 271(e) of title 35 contains the so-called Bolar amendment that was added to the patent code by the Hatch-Waxman Act to create a special exception for generic drug manufacturers. Section 271(e)(1) states:

> It shall not be an act of infringement to make [or] use . . . a patented invention . . . solely for uses reasonably related to the development and submission of information under a federal law which regulates the manufacture, use, or sale of drugs or veterinary biological products.

Essentially, this particular provision I have just read gives generic drug manufacturers a head start over virtually all other producers of generic products. In other words, it gives the generic industry a tremendous advantage. Normally, making and using a patented product for the purpose of securing regulatory approval would be a clear case of patent infringement under section 271(a), but the Bolar Amendment—which overrode a 1984 Federal Circuit Court of Appeals decision that precluded generic drug firms from using on-patent drugs to secure FDA approval or gear up production, in other words, the case overruled that right—allows the generic firms to violate customary patent rights because we put it in Hatch-Waxman. Section 271(e) is the Hatch-Waxman language.

The public policy purpose of the Bolar Amendment meaning the Bolar amendment provided by the Hatch-Waxman Act is to allow generic drug makers to secure FDA approval and come onto the market the day after the patent on the pioneer drug expires. As I explained last week, there is a balance between the head start that the Bolar Amendment gives to generic manufacturers and the protection that the 30-month stay gives pioneer firms to litigate the validity of their patents.

Given the unique head start that the Bolar Amendment grants generic drug manufacturers over virtually all other generic product manufacturer and the other factors I have discussed, I question whether restricting the 30-month stay to only those patents issued within 30-days of FDA approval is either necessary, fair, or wise.

Moreover, the HELP Committee bill contains file-it-or-lose-it and sue-on-it-or-lose-it provisions as well as a new private right of action which also act to further diminish the value of pharmaceutical patents, or should say pharmaceutical patents, to be more accurate.

Let me first address my concerns regarding the creation of a private right of action, and then move on to the serious and detrimental effects that the file-it-or-lose-it and sue-on-it-or-lose-it provisions would have on pharmaceutical patent holders.

I have two fundamental concerns with authorizing a private cause of action that would allow applicants to bring declaratory actions to correct or delete patent information contained in the FDA ''Orange Book.''

First, over the past 30 years, the courts have explicitly held that no private right of action is authorized under the Federal Food, Drug, and Cosmetic Act or ''FDCA'' e.g., ''It is well settled . . . that the FDCA creates no private right of action.'' In re: Orthopedic Bone Screw Products Liability Litigation, 193 F.3d 781, 788 (3d Cir. 1999).

Moreover, the Court of Appeals for the Federal Circuit specifically addressed whether the Waxman-Hatch amendments to the FDCA did not indicate any congressional intent to create a private right of action, stating that the court could ''see nothing in the Hatch-Waxman Amendments to alter'' the conclusion that private parties are not authorized to bring suit to enforce the FDCA.

By seeking to create a private right of action, this provision represents a truly unprecedented step that runs contrary to 30 years of judicial interpretation. I believe that this would create an unwise, and potentially dangerous precedent that could be used to justify future legislation authorizing private suits to enforce the numerous and varied provisions of the FDCA. Although I understand—and am sympathetic to—the underlying rationale for this provision, I simply do not think that creating a private right of action is an appropriate answer to the problems cited by the advocates of this provision.

Second, as the Administration has succinctly stated: ''this new cause of action is not necessary to address patent abuses,'' and may ''unnecessarily encourage litigation'' surrounding the approval of new drugs. I certainly agree. Authorizing this new cause of action will not effectively address the alleged patent abuses.

Now, I want to emphasize here that I strongly support efforts to halt anticompetitive abuses of the patent laws and the laws and regulations involving the listing of patent information in the FDA ''Orange Book.'' I am willing to work with members from either side of the aisle on this issue. However, I am convinced that creating a private right of action will not only fail to stop the patent abuses at issue, but will likely have substantial unintended detrimental effects on the drug approval process.

The file-it-or-lose-it provision that says patent rights are waived if each new patent is not promptly filed with FDA and the sue-on-it-or-lose-it provision that would result in the forfeiture of patent rights if a pioneer drug firm does not sue within 45 days of being notified of a patent challenge should be contrasted with current law for all other types of patents. Section 286 of the federal patent code establishes a six-year statute of limitations on seeking damages for patent infringement. Why should this usual six-year period be decreased to 45-days for pharmaceutical patents?

I should also note the section 284 of the patent code explicitly authorizes the courts to award treble damages in patent infringement actions. This is a strong signal that Congress wants to protect intellectual property. We should think twice when we are considering adopting measures, such as the Edwards-Collins language, that act to undermine longstanding patent rights such as the six-year statute of limitation on patent damage actions.

As I said last week, I am mindful that the treble damage provision places a generic firm patent challenger in a difficult decision if the firm were forced to go to market upon a district court decision in a patent challenge situation. That is why I am generally sympathetic to the argument of generic manufacturers that current law should be overturned and any marketing exclusivity a generic firm might earn by beating a pioneer firm's patents should toll from an appellate court decision. In the case of multiple patents and multiple challengers, the policy might have to be refined if the result is that no generic product can reach the market within a reasonable period of time.

As I pointed out, HELP Committee Edwards-Collins language is barely two weeks old, I am not alone in raising concerns about this new language. The Administration opposes this language. The Statement of Administration Policy states, in part, that:

> S. 812 would unnecessarily encourage litigation around the initial approval of new drugs and would complicate the process of filing and protecting patents on new drugs. The resulting higher costs and delays in making new drugs available will reduce access to new breakthrough drugs.

That is important.

I look forward in the next weeks to hearing the detailed comments from Administration experts on these matters as we get the FTC report.

We are also starting to hear from others on this new, substantially changed, language. Senator FRIST placed in the RECORD last week a letter from the Biotechnology Industry Organization that complains about the manner in which the bill undermines existing patent protection.

I would just note that the organization representing our nation's cutting edge biotechnology companies, BIO, expressed great dissatisfaction with this new bill language. The July 15th BIO letter says in part:

> If enacted, these proposals would significantly erode the measures in Hatch-Waxman to ensure an effective patent incentive for new drug development, and would create undesirable precedents for sound science-based regulations of drug products in the United States.

BIO also has some sharp criticism of the patent forfeiture provisions set forth in the file-it-or-lose-it and sue-on-it-or-lose-it clauses in the bill. BIO says:

> This forfeiture will occur without compensation, without a right of appeal and without any recourse. This provision is probably unconstitutional, and in any event is totally unconscionable.

Also adding its voice to the debate over this new, unvetted language is the American Intellectual Property Law Association. The AIPLA is a national bar association representing a diverse group of more than 14,000 individuals from private, corporate, academic and governmental practice of intellectual property law.

Mr. President, I ask unanimous consent to have printed in the RECORD a copy of a July 22, 2002 letter from the AIPLA.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN INTELLECTUAL PROPERTY LAW ASSOCIATION

Arlington, Virginia

Hon. ORRIN G. HATCH,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATCH: I am writing on behalf of the American Intellectual Property Law Association to express our concerns about provisions in S. 812 that would undercut long standing principles of patent law and would set an unfortunate example for other nations to emulate.

The AIPLA is a national bar association of more than 14,000 members engaged in private and corporate practice, in government service, and in the academic community. The AIPLA represents a wide and diverse spectrum of individuals, companies and institutions involved directly or indirectly in the practice of patent, trademark, copyright, and unfair competition law, as well as other fields of law affecting intellectual property. Our members represent both owners and users of intellectual property.

While we take no position on the need for revisions in the practice of ''patent listings'' in applications for drug approvals before the FDA, AIPLA believes that providing a new civil action to delist patents is ill advised. Such actions would involve the issues of (a) whether the innovator's product is actually covered by the patent-at-issue and (b) potentially, the validity of the patent. Irrespective of the merits of allowing challenges to the listing on the basis of its accuracy, vesting courts with jurisdiction over patent issues in this circumstance where there is no case or controversy is inappropriate. Such proposed new civil actions would be invitations to increased litigation and threats of litigation over such issues without corresponding public benefit.

If a generic drug company wished to challenge the validity of a listed patent, we would suggest that a far better alternative would be to require that it be through the normal procedure of a request for patent reexamination. To the extent that the existing proceedings might not be considered adequate for such challenges, not only are there bills to strengthen them (H.R. 1866, H.R. 1886, and S. 1754), but there is currently a proposal being developed by the U.S. Patent and Trademark Office to establish a post-grant opposition proceeding that would provide a more robust challenge procedure. Such proceedings are not only handled by the experts in the U.S. Patent and Trademark Office in the first instance, but all appeals would go to the Court of Appeals for the Federal Circuit which handles almost all patent appeals from normal infringement litigation.

Another aspect of S. 812 which we find troubling is the proposed prohibition against a patentee bringing a patent infringement action against a generic drug company for a patent not listed (and/or not properly listed) in an application for FDA approval. Under current provisions in the law, a patent owner loses the right to file a patent infringement law suit which has the effect of staying the FDA's approval of a generic drug for 30 months to allow resolution of the law suit if (a) the patent is not listed with the FDA or (b) the suit is not brought against the generic drug company within 45 days of receiving an appropriate certification notice that is listed patent is either invalid or not infringed. They do, however, retain the right to bring an infringement suit at a later date. The effect of the present amendments would be to take that right away from the patent holder. This would be an arbitrary denial of a remedy guaranteed to patent holders in all fields of technology.

We also point out that the denials of relief noted in the preceding paragraph would be limitations on pharmaceutical patents which could implicate certain non-discriminatory obligations of the United States under the Agreement on the Trade-Related Aspects of Intellectual Property Rights (TRIPs), part of the Uruguay Round Agreements. At a time when the Agreement is under challenge from many quarters following the Doha Ministerial Conference, certainly these provisions of S. 812 should be vetted with the Office of the U.S. Trade Representative for their consistency with TRIPs.

In summary, while we take no position on the need for legislation to change the provisions of the 1984 Hatch-Waxman Act or on the merits of the respective positions of innovator drug companies and generic drug companies, we are concerned that these provisions of S. 812 are contrary to good patent law policy and enforcement. Indeed, they would establish principles that would do great harm to the ability of innovators to realize adequate and effective patent protection and set bad examples by the United States when viewed by other nations that are seeking ways to avoid providing such protection. If reform is needed, it should take other forms and directions.

Sincerely,

MICHAEL K. KIRK,
Executive Director.

Mr. HATCH. While taking no position on the need for changing the patent listing provisions of Hatch-Waxman, the AIPLA said that it believes that:

Providing a new civil action to delist patents is ill advised . . . Irrespective of the merits of allowing challenges to the listing on the basis of its accuracy, vesting courts with jurisdiction over patent issues in this circumstance where there is no case or controversy is inappropriate.

The AIPLA also red flags the file-it-or-lose-it patent forfeiture provisions of the pending legislation by pointing out that these, and I quote,

. . . would be limitations on pharmaceutical patents which could implicate certain nondiscriminatory obligations of the United States under the Agreement on the Trade Related Aspects of Intellectual Property Rights (TRIPS). At a time when the Agreement is under challenge from many quarters following the Doha Ministerial Conference, certainly these provisions of S. 812 should be vetted with the Office of the U.S. Trade Representative for their consistency with TRIPS.

I agree we should hear from United States Trade Representative on this matter. I also agree with the American Intellectual Property Law Association when it closed its letter with the following statement: ''If reform is needed, it should take other forms and directions.''

Finally, Mr. President, I would like to make my colleagues aware of, and ask unanimous consent to have printed in the RECORD, a statement from the law offices of David Beier.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INNOVATION IN HEALTH CARE AND THE RESULTING IMPROVEMENTS IN MORTALITY AND HEALTH OUTCOMES WILL SUFFER FROM THE RETROACTIVE TAKING OF PROPERTY RIGHTS POSED BY THE SENATE H.E.L.P. COMMITTEE PASSAGE OF THE EDWARDS SUBSTITUTE TO S. 812

In the last 50 years there have been dramatic improvements in life expectancy and better health care outcomes, in pertinent part, because of new drugs and therapies. These advances have occurred because the United States, unlike some other nations, has used a strong patent system to help create a balanced set of incentives. That system of incentives for innovation is at risk, if as proposed in the pending bill, the investment backed and settled property rights in patents are retroactively taken away.

The substitute amendment to the Schumer-McCain bill adopted July 11 proposes to deprive property owners—in this case patent holders—of the most fundamental of property rights, the right to exclude others from using their property without just compensation. The bill works this result by taking away the right to sue. As explained in greater detail, the bill proposes to prevent holders of valid patents from suing generic drug companies. This proposal is not only bad policy but poses at least three serious legal problems.

First, the proposed bill takes away an essential attribute of a patent—the right to enforce it against copiers. This deprivation is either a per se taking of property under the relevant Supreme Court case law, or works a taking in light of the case by case constitutional test outlined by the same court. The pending bill would work a per se taking if a Court determined that the loss of a fundamental right—like the right to sue—was the equivalent of a total physical occupation of a piece of real property. There is a good case that a court would so find. But regardless of whether this proposal would meet that test, the courts would most surely find that the loss of the right to sue would be a taking of property that required just compensation under the other applicable constitutional test.

Under current Supreme Court precedent, if enacted, these amendments would be evaluated under a taking analysis that would measure the nature of the property involved, the nature of the economic right and the degree of governmental interference. In this case, it is well settled law that a patent is a property right. It would be absurd to uphold that right and then claim that barring access to the courthouse does not violate that right. Because this amendment would work a fundamental and retroactive deprivation of those economic rights courts would likely hold that these changes are a taking. Such a finding triggers a requirement of government compensation of the property owners. At the President's Council of Economic Advisers recognized in their report to the President earlier this year, the kinds of inventions at risk here—both breakthroughs and incremental improvements in existing products—are critical to improved health outcomes. That same report also recognized that these products require the free market possibility of substantial profits to sustain the magnitude of the R+D necessary to overcome the risk of research failures, and competition from others also racing to be first on the market with new medical innovations. This reality would mean that a successful taking suit would implicate many claims of significant economic loss. Thus, it is likely that any finding would have very serious implications for the Federal budget.

Second, there is a strong argument that this amendment interferes with the right of

patent holders to petition their government through the judicial system for a redress of their grievances. In this case, much like the efforts of others in an earlier time, seeks to prevent courts from enforcing rights guaranteed by the Constitution. This approach can not be justified in light of the compelling constitutional right to have full and fair access to redress grievances.

Third, and finally, this amendment makes artificial and illegal distinctions between types of patents in violation of the United States' obligations under international law. One of the important advances in law, secured at the request of the United States, in the World Trade Organization's Trade Related Intellectual Property system was a bar on discrimination between different technologies. In this case, the amendment proposes to withdraw significant patent rights from the holders of certain innovative drug patents that continue to be guaranteed to all other patent holders. Imagine if another nation proposed to cut off the right to sue for infringement for the violation of an aerospace, computer or computer software patent, we certainly would assert that it violated our Nation's rights under TRIPS. The pending amendment offers the same kind of flawed and illegal approach. In the case of a TRIPS violation the penalty could, after adjudication in the WTO, result in the imposition of retaliatory tariffs on American exports.

In sum, the pending amendment is a bad idea on policy grounds, procedurally suspect and legally subject to challenge. Congress should carefully consider the risks to the Federal Treasury that could result if this bill were enacted and the courts uphold a strong ''taking'' of property claim. Moreover, legislators should also be cognizant of the bad precedent they would be creating by barring access to judicial remedies. Finally, Congress should recognize that if approaches to international obligations like this are adopted, other countries will be more likely to punish American inventions in other sectors, including information technology and aerospace.

Mr. HATCH. Mr. Beier was a member of the staff of the House Judiciary Committee when Hatch-Waxman was adopted in 1984. After that, for many years he headed the Washington office of the biotechnology company, Genentech. Mr. Beier then spent four years serving as the chief domestic policy advisor for Vice President Gore. He is recognized as an expert in high technology issues and is now a partner in highly respected Washington law firm. David is certainly not a conservative Republican although I still have my hopes for him!

In Mr. Beier's view, ''the pending amendment is a bad idea on policy grounds, procedurally suspect and legally subject to challenge.'' Mr. Beier lays out the Takings Clause problems, the procedural due process concerns, and the TRIPS considerations.

With respect to the potential for negative impact on foreign trade Mr. Beier warns:

Imagine if another nation proposed to cut off the right to sue for infringement for the violation of an aerospace, computer or computer software patent. We would certainly assert that it violated our Nation's rights under TRIPS. The pending Amendment offers the same kind of flawed and illegal approach. In the case of a TRIPS violation the penalty could, after adjudication in the WHO, result in the imposition of retaliatory tariffs on American exports.

Mr. President, I share these concerns. I urge my colleagues to consider the views of BIO, the AIPLA, and David Beier, as well as the other organizations cited by Senator FRIST last week, before we rush to adopt this virtually unvetted, far-reaching language that has not been the subject of a hearing in any committee of Congress. Not the HELP Committee, not the Judiciary Committee, not the Commerce Committee, and not the Finance Committee which has jurisdiction over matters of international trade.

But more important than any payments that the Treasury might be compelled to pay due to judgments related to the Takings Clause or than any retaliatory trade sanctions that the WHO may impose on the United States down the road, we need to consider what the public health consequences might be if we unjustifiably lower protections on pharmaceutical patents.

Don't get me wrong. I am in favor of fierce price competition in the pharmaceutical marketplace. I favor not just less expensive general drugs today, but also better breakthrough drugs tomorrow. We need to keep in mind the relationship between public health and intellectual property. As David Beier has observed with respect to this linkage and the threat of this bill:

In the last 50 years there have been dramatic improvements in life expectancy and better health care outcomes, in pertinent part, because of new drugs and therapies. These advances have occurred because the United States, unlike other nations, has used a strong patent system to help create a balanced set of incentives. That system of incentives for innovation is at risk, if as proposed in the pending legislation, the investment backed and settled property rights in patents are retroactively taken away.

In short, while better in some key respects than McCain-Schumer, I am afraid that the HELP Committee-reported bill goes too far with respect to the 30-month stay. As I testified before the HELP Committee in May, if the problems we are trying to solve are the multiple use of 30-month stays and 11th hour-issued patents that unfairly trigger the stay, it seems to me that a more appropriate—and more narrowly-tailored—legislative response might be a rule that allows one stay, and one stay only.

Further, it might be appropriate to restrict the use of the sole stay only with respect to those patents listed in the FDA Orange Book at the time when a particular generic drug application is submitted. I will be interested if such a rule satisfies the problems that the FTC finds with respect to abuses of the 30-month stay and how the FTC, FDA, DOJ and other experts and interested parties think about this perspective.

I am open to other alternatives as more information becomes available and more discussion takes place among interested parties.

For now at least, I am forced to conclude that this new NDA-plus 30-day rule coupled with the file-it-or-lose-it and sue-on-it-or-lose-it provisions and the new private right of action amounts to legislative overkill that creates a host of new problems.

In contrast to this over-correction with regard to the 30-month stay, I am concerned that the Edwards-Collins HELP Committee Substitute undercorrects in fixing the 180-day marketing exclusivity issue.

Perhaps no single provision of the 1984 law has caused so much controversy as the 180-day marketing exclusivity rule.

As I explained last week, the statute contains this incentive to encourage challenges that help test the validity of pioneer drug patents and to encourage the development of non-patent infringing ways to produce generic drugs. The policy motivation behind the 180-day rule is to benefit consumers by earlier entry of cost-saving generic products onto the market in situations where patents were invalid or could be legally circumnavigated.

For many years as we intended and envisioned FDA awarded this 180-day exclusivity only to a generic drug applicant that was successful in patent litigation against the pioneer firm. In 1997, FDA's longstanding successful defense requirement was struck down by the D.C. Circuit Court of Appeals in the case of Mova Pharma v. Shalala.

The next year, the D.C. Circuit issued its opinion in Purepac Pharm v. Shalala which upheld FDA's new system of granting the 180-day exclusivity to the first filer of a generic drug application even if the pioneer firm did not sue for patent infringement. Also in 1998, the Fourth Circuit Court of Appeals held in Granutec v. Shalala that a court decision with respect to a second or third filer could trigger the exclusivity period of a first filer.

Taken together, these decisions, which strictly construed the statutory language, awarded the exclusivity to the first filer of a generic drug application. As a co-author of the legislation, I will be the first to concede that we drafters of the 1984 law came up short in this area because we were attempting to reward the first successful challenger, not the first to file papers with the FDA.

Once the successful defense requirement was struck down, the mismatch between first filers of generic drug applications and the generic drug firms actually litigating the patents resulted in a number of controversial contractual arrangements in which generic firms in the first-to-file blocking position were paid by pioneer firms not to go to market. These agreements prevented the 180-day marketing exclusivity clock from ever starting, and the statute prevented FDA from approving second and subsequent filers from going to market.

Here is how my good friend, Bill Haddad, an astute political analyst, generic drug manufacturer, gifted writer, incorrigible liberal, and participant in

the 1984 negotiations recalled the intent of the 180-day marketing exclusivity provision:

> There was never any doubt that the goal .. was to bring generics to the market earlier using the route of legal challenge with a reward to be paid to the entrepreneur with the courage and facts to successfully challenge.

It was and is very clear that the law was not designed to allow deals between brand and generic companies to delay competition.

Unfortunately, the string of court decisions that interpreted these imprecisely drafted statutory clauses has resulted in a wholly unintended result.

As David Balto, a former senior official at the FTC, has described the problem:

> The 180-day exclusivity provision appears to have led to strategic conduct that has delayed and not fostered the competitive process.

Mr. Balto assessed:

> The competitive concern is that the 180-day exclusivity provision can be used strategically by a patent holder to prolong its market power in ways that go beyond the intent of the patent laws and the Hatch-Waxman Act by delaying generic entry for a substantial period.

He is right. He is absolutely right.

This wholly unintended dynamic has properly brought intense antitrust scrutiny. As a matter of fact, in May of 2001, the Judiciary Committee examined the antitrust implications of pharmaceutical patent settlements inspired by the 180-day rule.

The Federal Trade Commission has been very active in this area. The FTC has brought and settled three of these cases in which brand name companies pay generic firms not to compete. At this point I will not go into the details of the consent decrees in the Abbott—Geneva case, the Hoescht—Andrx agreement, and the FTC's settlement with American Home Products. FTC Chairman Tim Muris provided a great deal of information in his testimony before the Senate Commerce Committee in April.

The FTC is doing the right thing in taking enforcement actions against those who enter into anti-competitive agreements that violate our Nation's antitrust laws. Probably in no small part due to the FTC's vigorous enforcement under the existing antitrust laws and the development of Senator LEAHY's Bill, The Drug Competition Act, S. 754, I understand that no more of these type of anti-competitive agreements have been initiated for over two years. The FTC report will no doubt shed light on this area In a post-Enron, post-WorldCom environment, who would be so reckless as to enter into such an agreement? Nevertheless, I must also point out that the agency recently suffered a set back when the FTC administrative law judge issued a ruling in the on-going K-Dur litigation that reminds us that not all pharmaceutical patent settlements are per se violations of federal antitrust law.

In any event, the McCain-Schumer bill addressed the 180-day collusive reverse payments situation by adopting a so-called rolling exclusivity policy. If the eligible generic drug filer does not go to market within a specified time period, the 180-day exclusivity rolls to the next filer.

As I testified before the HELP Committee, I do not favor rolling exclusivity. Here's what Gary Buehler, then Acting Director of FDA's Office of Generic Drugs, said before the Judiciary Committee last year:

> We believe that rolling exclusivity would actually be an impediment to generic competition in that the exclusivity would continue to bounce from the first to the second to the third if, somehow or other, the first was disqualified.

In 1999, FDA proposed a rule which embraced a use it or lose it policy whereby if the first eligible generic drug applicant did not promptly go to market, all other approved applicants could commence sales. Molly Boast, Director of the FTC Bureau of Competition, testified last May that, at the staff level, FTC supported FDA's use it or lose it proposal. If our goal is to maximize consumer savings after a patent has been defeated, I find it difficult to see how rolling exclusivity achieves this goal. I certainly prefer FDA's use it or lose it policy over the McCain-Schumer brand of rolling exclusivity.

In that regard, I must again commend the sponsors of the Edwards-Collins Substitute for rejecting the McCain-Schumer rolling exclusivity policy in favor of what Senator EDWARDS calls modified use-it-or-lose-it. Having said that, I was alarmed to learn that during mark-up Senator EDWARDS responded to a question by stating it was conceivable that his modified use-it-or-lose-it language might actually roll indefinitely. This disturbs me. Every time the exclusivity would roll to another drug firm, consumers will be further away from the day when multi-firm generic price competition can begin in the marketplace.

Frankly, I am not certain that I completely understand how the forfeiture language in Section 5 of the bill works. I do not think I am alone in this confusion. At some point, I would like to engage in a colloquy with the bill managers to ask some questions designed to clarify precisely how this provision works.

Let me say that if the bill reinstates the successful defense requirement and gives awards to the successful challenger so long as the firm goes to market in a timely fashion, I am supportive of the general concept. But I must say that I think that there are some real advantages to Senator GREGG's simple and straight-forward policy of more closely following FDA's old-fashioned use-it-or-lose-it proposal.

As I stated earlier, I am generally sympathetic to the concerns of generic drug firms that any exclusivity awarded should be measured from the time of an appellate court decision. But this principle may not hold up if any form of rolling exclusivity is adopted or if we have multiple patents and multiple challengers, some of whom are attacking on invalidity and some of whom or attacking on non-infringement.

I must say I am troubled by the provision of the bill that appears to grant each generic firm that qualifies for the benefit of the 18-month marketing exclusivity incentive a 30-month period to secure FDA approval, measured from the from the time of the filing of the generic drug application.

Let's say that the first firm eligible to take advantage of the 180-day benefit drops out for some reason. Assume also that the next firm eligible under the terms of Section 5 is in the midst of, for example, a negative good manufacturing inspection and can't go to market, but has say 14 months remaining on the 30-month clock. It would hardly seem like an appropriate outcome if, for example, the next firm eligible on the list already has satisfied all of the FDA requirements and has received tentative final approval, but must wait until the 30-month clock runs out.

I hope that the proponents of the substitute amendment will help us all understand just how Section 5 is intended to work. It is difficult for me to see why we should adopt a policy whereby the balance of the 30-month period described in Section 5(a)(2)''(D)(i)(III)(dd)'' on page 44 of the bill, could conceivably be greater than the 180-days of marketing exclusivity. Upon default of the first qualified applicant, why should we wait for a second eligible drug firm to obtain FDA approval when there may be a third, fourth, or fifth applicant in line with FDA approval ready to go?

I hope the sponsors of the legislation are not locked into their so-called modified use it or lose it policy, because I think it would be wise for Congress to step back and reassess the wisdom of retaining the 180-day marketing exclusivity provision in essentially the same form as enacted in 1984. Why not take this opportunity to re-think the 180-day rule?

At one extreme are those who have suggested that the 180-day marketing exclusivity provision may not even be necessary at all. Liz Dickinson, a top-notch career attorney at FDA, has asked: ''I suggest we look at whether 180-day exclusivity is even necessary, and I know that there is this idea that it is an incentive to take the risk. I say the facts speak otherwise. If you have a second, third, fourth, fifth generic in line for the same blockbuster drug . . . undertaking the risk of litigation without the hope of exclusivity, is that exclusivity even necessary?''

Ms. Dickinson went on to make the following observation with respect to the 180- day rule, ''We have got a provision that is supposed to encourage competition by delaying competition. It has got a built in contradiction, and that contradiction . . . is bringing down part of the statute.''

At the Judiciary Committee hearing on May 24, 2001, Gary Buehler, FDA's top official in the Office of Generic Drugs agreed with his colleague's assessment:

> . . . we often have the second, third, fourth, fifth challengers to the same patent, oftentimes when the challengers actually realize that they are not the first and there is no hope for them to get the 180-day exclusivity. So with that in mind, I would agree with Liz's statement that generic firms will continue to challenge patents. Whether the 180-day exclusivity is a necessary reward for that challenge is unknown, but it does not appear that it is.

Keep in mind that both of these FDA officials are career civil servants with no political axe to grind. I personally favor retaining some financial incentive to encourage patent challenges, but in light of this testimony and other factors, I do not think we need to be wedded to the current form of the 180-day exclusivity benefit.

Frankly, I am surprised that neither the McCain-Schumer bill, nor the Kennedy mark, nor the Edwards-Collins amendment, proposed any changes in the current regime in light of the views of the FDA officials among other considerations. But, of course, neither the FDA nor FTC nor any representatives from the Administration testified at the HELP Committee hearing on May 8th.

Senator SCHUMER argues that the task of this legislation is to curb excesses in order to return to the original balance in the 1984 law. But what if conditions have changed and the original balance of the 1984 need to be reassessed? Or what if there was an area that we didn't get right the first time?

For example, consider how Paragraph IV litigation treats patent invalidity and patent non-infringement challenges identically under the 180-day marketing exclusivity rule. But invalidity and non-infringement are two very different theories of the case. Here is what Al Engelberg, a smart and tenacious attorney who specialized in attacking drug patents on behalf of generic drug firm clients, has said about this difference:

> In cases involving an assertion of non-infringement, an adjudication in favor of one challenger is of no immediate benefit to any other challenger and does not lead to multisource competition. Each case involving non-infringement is decided on the specific facts related to that challenger's product and provides no direct benefit to any other challenger. In contrast, a judgment of patent invalidity or enforceability creates an estoppel against any subsequent attempt to enforce the patent against any party. The drafters of the 180-day exclusivity provision failed to consider this important distinction.

As one of the drafters, I must accept my share of responsibility for not fully appreciating the implications of this distinction. I think what Mr. ENGELberg is pointing out that the 180-day rule acts as only a floor in non-infringement cases. As long as any patents stand, a particular non-infringer's marketing exclusivity can extend well beyond 180 days until such time as another non-infringer comes along. Conversely, doesn't the 180-day floor work to the detriment of consumers whenever it acts to block market entry of a second non-infringer during the 180-day period ? Why shouldn't a second or third non-infringer be granted immediate access to the market as would occur in any other industry? Consumers would reap immediate benefits for price competition.

I hope that my colleagues working on the bill will consider the distinction between invalidity and non-infringement as this debate continues over the next week. While I am of the mind to retain a strong financial incentive to encourage vigorous patent challenges by generic drug firms, we must ask why identical rewards are granted for successful invalidity and non-infringement claims. I welcome the comments and suggestions of my colleagues and other interested parties on this matter

Frankly, I think we need more public discussion and debate about the wisdom of retaining—lock, stock, and barrel—the old 180-day exclusivity award.

For example, even if we adopt the modified use it or lose it approach of the HELP Committee bill and the first qualified generic manufacturer cannot, or will not, commence marketing and the exclusivity moves to the next qualified applicant, why should the second manufacturer get the full 180-days? Why not 90 days? Why not 60 days?

After all, once the exclusivity begins to roll and roll and we move away from granting the marketing exclusivity to the successful generic litigant and Americans always prefer actual winners—we may end up with a mere second filer—and since when does our society grant such lucrative rewards to someone who merely files some papers?

And what is so sacrosanct about 180-days in the first place? It is my information that in 1984 the number-one selling drug in the United States was Tagamet, with domestic sales of about $500 million. I am told that today the cholesterol-controlling medicine, Lipitor, has domestic U.S. sales of over $5 billion. Lipitor sales are 10-times higher in the U.S. than domestic Tagamet sales were in 1984. I understand that worldwide sales of Lipitor are about $7 billion.

Even adjusting for inflation, it seems clear that 180-days of marketing exclusivity is worth more, and a lot more, today than it was worth in 1984.

What might 180-days of marketing exclusivity for today's blockbuster drugs be worth in profits to the generic firm holding the 180-day marketing exclusivity rights?

Let's be frank about what is going on here: Retention of the 180-day marketing exclusivity provision is one of those areas in which both the generic sector and the R&D sector have something of a mutual interest. And when all is said and done, I think that the joint interest of the generics and the pioneer firms is not in perfect alignment with the interests of consumers.

This is so because during the 180-day time frame, when there is only one generic competitor, the pioneer firm does not take anywhere near the hit on market share and profits that occurs when multiple generic firms enter the market. Similarly, the first generic on the market is under no pressure to cut the price anywhere near as much as when there is competition from multiple generic firms.

The report, Drug Trend: 2001, published by Express Scripts, notes this dynamic:

> The AWP [average wholesale price] for the first generic is usually about 10 percent below the brand. After the six month exclusivity granted to the first generic manufacturer, the price paid . . . for the generic quickly falls, often by 40 percent or more, as multiple manufacturers of the same generic product compete for market share. It seems likely that the value of the 180-day marketing exclusivity award today may be worth much more that it was back in 1984—perhaps several hundred million dollars more per blockbuster drug.

Given the dramatic increase in drug sales for today's blockbuster products, it does not seem far-fetched to project that the 180-marketing exclusivity reward can amount to hundreds of millions of dollars—and perhaps over one billion dollars—in profits to the fortunate generic drug manufacturer. I am all for assuring that there are sufficient incentives to ensure patent challenges, but isn't there a limit beyond which we should direct these excess profits back to consumers?

Would we rather see 25 percent to 40 percent of that money in the hands of the trial attorneys who brought the case? Or, would we rather see at least some of those funds earmarked for attorneys' fees, be channeled to help citizens lacking access to prescription drugs?

Shouldn't we get the facts concerning the change in value of the 180-day marketing exclusivity today compared to 1984 and make any appropriate adjustment to this incentive? We don't want to set the incentive so low as to discourage challenges to non-blockbuster patents.

My purpose in rasing these points is to get an indication from the sponsors of this legislation and other interested parties, such as patient advocacy organization, state Medicaid agencies, and insurers, whether there is interest in discussing the advisability of passing on more of the value associated with the marketing exclusivity to consumers if it appears it is fair to do so.

If there is interest, I would be willing to help fashion an appropriate amendment. It seems to me that we need to provide enough of an incentive to assure vigorous patent challenges, but we should give away no more exclusivity than is necessary. Every day of marketing exclusivity awarded to a generic firm comes at the expense of consumers.

I think we can and should explore this area further.

Let us not too quickly and too blindly retain the basic structure of reward

under the 180-day marketing exclusivity provision. Before we change the law, let us have a serious re-examination of whether to retain the 180-day marketing exclusivity in its current form both in terms of the length of the exclusivity period and whether the rewards for successful invalidity and non-infringement challenges should be treated identically.

I urge my colleagues, as well as consumer organizations and pharmaceutical purchasers such as insurers and self-insured businesses to reflect upon what I have said on this subject today.

This is an area in which I think we would be wise to reject Senator SCHUMER's argument that all we are doing with this legislation is restoring the integrity of the old Hatch-Waxman Act. But why should we be governed by the world of 1984 when, for example, the best selling drugs in this country have increased sales by a factor of 10? Why should the value of the marketing exclusivity reward increase in direct proportion?

On a number of occasions, I have commended Senator SCHUMER and Senator MCCAIN for moving their legislation forward, even if the bill that came out of the HELP Committee does not resemble very closely their bill, and I still have problems with the floor vehicle as I have laid out in some detail. I commend them again today.

I hope to return to the floor before this debate ends to offer a few suggestions for a more comprehensive approach to reforming the Drug Price Competition and Patent Term Restoration Act.

This in no way minimizes the importance of he matters that are the subject of the pending legislation, because they are important areas. I do not believe, however, that these are the most important issues we can address.

Rather than focusing on how best to bring the law back to the old days of 1984, as Senator SCHUMER suggests, I want to discuss ways to modify the law to help usher in a new era of drug discovery while, at the same time, increasing patient access to the latest medicines.

Mr. President, I yield the floor.

ORDER OF PROCEDURE

Mr. REID. Mr. President, I ask unanimous consent that following disposition of H.R. 5121, the legislative branch appropriations bill, Rockefeller amendment No. 4316 be agreed to, and the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. Mr. President, I ask unanimous consent that immediately following action on adoption of the Rockefeller amendment, the Senate proceed to the consideration of the conference report to accompany H.R. 3763, the Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002, and that it be considered under the following limitations: That there be a time limitation of 2 hours equally divided and controlled between the chair and ranking member of the committee or their designees; that upon the use or yielding back of time, without further intervening action or debate, the Senate proceed to vote on adoption of the conference report.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 2003—Resumed

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to vote on H.R. 5121, the Legislative Branch Appropriations Act.

Mr. REID. Mr. President, I ask for the yeas and nays on the legislative branch appropriations bill.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the conference report. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

The PRESIDING OFFICER (Mrs. CARNAHAN). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 85, nays 14, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS — 85

Akaka	Durbin	McConnell
Allen	Edwards	Mikulski
Baucus	Feingold	Miller
Bennett	Feinstein	Murkowski
Biden	Frist	Murray
Bingaman	Graham	Nelson (FL)
Bond	Grassley	Nelson (NE)
Boxer	Gregg	Nickles
Breaux	Hagel	Reed
Burns	Harkin	Reid
Byrd	Hatch	Rockefeller
Campbell	Hollings	Santorum
Cantwell	Hutchinson	Sarbanes
Carnahan	Hutchison	Schumer
Carper	Inouye	Sessions
Chafee	Jeffords	Shelby
Cleland	Johnson	Smith (OR)
Clinton	Kennedy	Snowe
Cochran	Kerry	Specter
Collins	Kohl	Stabenow
Corzine	Kyl	Stevens
Craig	Landrieu	Thompson
Crapo	Leahy	Thurmond
Daschle	Levin	Torricelli
Dayton	Lieberman	Warner
DeWine	Lincoln	Wellstone
Dodd	Lott	Wyden
Domenici	Lugar	
Dorgan	McCain	

NAYS — 14

Allard	Ensign	Roberts
Bayh	Enzi	Smith (NH)
Brownback	Fitzgerald	Thomas
Bunning	Gramm	Voinovich
Conrad	Inhofe	

NOT VOTING—1

Helms

The bill (H.R. 5121) was passed, as follows:

(The bill will be printed in a future edition of the RECORD.)

Mr. DURBIN. Madam President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendments and requests a conference with the House on the disagreeing votes of the two Houses.

The PRESIDING OFFICER appointed Mr. DURBIN, Mr. JOHNSON, Mr. REED of Rhode Island, Mr. BYRD, Mr. BENNETT, Mr. STEVENS, and Mr. COCHRAN conferees on the part of the Senate.

GREATER ACCESS TO AFFORDABLE PHARMACEUTICALS ACT OF 2001—Continued

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 812. The Rockefeller amendment No. 4316 is agreed to, and the motion to reconsider that vote is laid on the table.

The amendment (No. 4316) was agreed to.

SARBANES-OXLEY ACT OF 2002—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of the conference report to acompany H.R. 3763, which the clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3763), to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes, having met, have agreed that the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The PRESIDING OFFICER. The Senate will proceed to the consideration of the conference report.

(The report is printed in the House proceedings of the RECORD of July 24, 2002.)

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, I suggest the absence of a quorum and ask that the time not be charged against either manager.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SARBANES. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SARBANES. Madam President, parliamentary inquiry of the Chair: What is pending before the Senate?

The PRESIDING OFFICER. The debate on the conference report is limited to 2 hours equally divided.

Mr. SARBANES. So there is 1 hour on each side.

The PRESIDING OFFICER. The Senator is correct.

Mr. SARBANES. Madam President, I yield myself 10 minutes.

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

Mr. SARBANES. Madam President, I am very pleased that we are now considering the conference report on the Public Company Accounting Reform and Investor Protection Act of 2002. The Senate approved this legislation on July 15 on a 97–0 vote. Conferees were named promptly both here and in the House, and the conference committee immediately went to work.

Agreement was reached yesterday in the early evening, about 7 o'clock, by the conference committee, and the House took up the conference report this morning and acted on it earlier in the day. The vote, I believe, was 422—3.

The conference report has now come over to us, and obviously, under our procedures, it is our turn to proceed to consider it.

This legislation establishes a carefully constructed statutory framework to deal with the numerous conflicts of interest that in recent years have undermined the integrity of our capital markets and betrayed the trust of millions of investors.

I say to my colleagues that in every one of its central provisions, the conference report closely tracks or parallels the provisions in the Senate bill for which, as I indicated earlier, all the Members present at the time, 97 of us, voted only a short time ago.

This legislation establishes a strong independent accounting oversight board, thereby bringing to an end the system of self-regulation in the accounting profession which, regrettably, has not only failed to protect investors, as we have seen in recent months, but which has in effect abused the confidence in the markets, whose integrity investors have taken almost as an article of faith.

This legislation reflects the extraordinary efforts of many colleagues on both sides of the Capitol. I want especially to recognize and express my deep gratitude to Senators DODD and CORZINE who early on introduced legislation that in many respects serves as the basis for titles 1 and 2 of this legislation.

On the House side, Congressman LAFALCE introduced comprehensive legislation on which we drew.

I also wish to acknowledge the many important contributions that my Republican colleague, Senator ENZI, made at every step in the process. Senator ENZI had legislation of his own, but in addition we worked very closely in the course of developing this legislation. Again and again I was struck by the thoughtfulness and reasonableness of his proposals for improving in the legislation. While in the end not all of them were included in the legislation, a significant number are, and I thank him very much for all his contributions.

Before addressing the major provisions of the legislation, let me make very clear that it applies exclusively to public companies—that is, to companies registered with the Securities and Exchange Commission. It is not applicable to provide companies, who make up the vast majority of companies across the country.

This legislation prohibits accounting firms from providing certain specified consulting services if they are also the auditors of the company. In our considered judgment, there are certain consulting services which inherently carry with them significant conflicts of interest. Auditors, in effect, find themselves in the position of auditing their own work. They may be acting as management of the company, for instance, on personnel matters when, as the outside auditor, they were supposed to be standing one step removed from the company as the outside auditor. This is the reasoning behind the prohibition.

What has happened in recent years is that the fees earned from the consulting work have dwarfed the fees earned from the auditors, which inevitably leads to concerns that punches may be pulled on the audit to accommodate the significant and remunerative involvement on the consulting side. Certain enumerated consulting practices are therefore not allowed, with the exception that a case-by-case exemption can be obtained from the oversight board that this legislation establishes.

The auditor can engage in the balance of consulting services with the pre-approval of the audit committee of the corporation. And of course an auditor can engage in whatever consulting services the firm and the corporation agree upon so long as the firm is not also acting as the corporation's auditor.

The bill sets significantly higher standards for corporate responsibility governance. It requires public companies to have independent audit committees and also enhances the role of the audit committee, which will have responsibility for hiring and firing the auditors and setting their compensation.

The legislation requires full and prompt disclosure of stock sales by company executives. Senator CARNAHAN added an important provision to the bill, requiring electronic filing with respect to such sales. That requirement would take effect in a year's time, to allow time for the necessary systems to be put in place; once in place it will assure prompt and accurate disclosure of these very significant transactions.

The legislation places limits on loans by corporations to their executive officers. It sets certain requirements for disclosure with respect to special purpose entities, which were used by some corporations that have run into such serious difficulty in recent months. It seeks to address the statement of pro forma earnings, in order to assure a more complete and accurate picture of a public company's financial position.

It also addresses the conflicts of interests that arise for stock analysts to whom investors look for impartial research-based advice about stocks. Unfortunately, many of these analysts are under pressure to promote stocks in which their broker-dealer firms may have an investment banking interest; on the one hand they are supposed to give unbiased advice to potential purchasers of stock, whether to buy or sell, but at the same time the firm of which they are a part is interested in developing a business relationship with the company on which the analyst is passing judgment. It has been sobering to discover that analysts have been formally recommending certain stocks to the investing public, while at the same time discussing them contemptuously among themselves. We have had too many demonstrations of this occurring.

The legislation includes provisions to protect analysts against retaliation, in cases where a negative recommendation may invite retaliation. Furthermore, the bill authorizes significant increases in funding for the Securities and Exchange Commission, which for the first time in many years will give it something close to the funding resources it needs.

There are also extensive criminal penalties contained in this legislation. These were initially included in legislation reported by the Judiciary Committee, which Senator LEAHY offered as an amendment to the bill. The House then passed its own bill with respect to criminal penalties, a separate standing bill, which in many instances doubled or even tripled the penalties in the Leahy proposal as it came to the floor, and the Leahy proposals were further supplemented by an amendment from Senators BIDEN and HATCH and another from Senator LOTT.

The PRESIDING OFFICER. The Senator has consumed 10 minutes.

Mr. SARBANES. I yield myself 4 additional minutes.

The PRESIDING OFFICER. The Senator has that right.

Mr. SARBANES. These provisions, among other things, require the CEOs and CFOs to certify their company's financial statements under penalty of potentially severe punishments.

We provide a $776 million authorization for the SEC. I want to spend a minute on this point, because it is very important. The Senate Appropriations Committee is now working on an appropriation that would contain $750 million for the SEC. It is urgent that we provide adequate funding for the Commission, whose responsibilities have expanded as the volume of market activity has grown, but whose funding has lagged. Clearly, the Commission must have the resources necessary to ensure a decisive and expeditious response to the scandals we have seen in

recent months, and to minimize the likelihood that we will see others in the future.

I must underscore this point. The Commission has been underfunded, and the result has been understaffing, high staff turnover and low morale as the Commission seeks to carry out its work. The SEC must be in a position to address immediately the problems of inadequate staff resources and inadequate pay.

At the moment, the SEC cannot offer its attorneys and accountants the same level of salary and benefits that their counterparts receive at the five Federal bank regulatory agencies. Talented and dedicated staff attorneys and accountants can increase their compensation by as much as one-third simply by moving to another agency. This is an intolerable situation. Pay parity has been authorized and now must be funded; this legislation specifically provide the necessary funding.

In addition, the authorization provides funding that will enable the Commission to upgrade its technical capacities, its computer systems, and it provides significant resources so that the Commission can augment its staff of attorneys, accountants and examiners at a time when they are needed to address a very heavy workload burden.

As an aside, I mention that this morning the committee reported to the Senate four nominees to bring the Securities and Exchange Commission to its full complement of five members. I very much hope we will be able to approve them next week so that they will be able to take their positions before the August recess. If we do, the Commission will be at full strength. They will all be in place and ready to do the job, and I think that is highly desirable.

In closing, let me say that I believe this conference report reflects our best efforts to deal with issues which we know to be numerous and complex. Throughout the process, we have worked together carefully on these issues. We have sought advice from the most distinguished and experienced practitioners in the field. We held 10 hearings in March with some of the very best experts in the country as our witnesses. We have consulted extensively, and I hope my colleagues will agree in good faith and across party lines. Our vision has been broad, our purpose steady. I think our approach has been reasonable.

We will send to the President legislation establishing a solid statutory framework for the reforms we know are urgently needed.

Our markets have benefited beyond measure from the statutory framework that created the SEC nearly 70 years ago. Indeed, I think we have had a tendency to take that for granted. Those markets have been a very significant economic asset for the United States, and an integral part of our economic strength. This legislation will serve to complement and reinforce that framework, which has served us well, and I believe it will stand the test of time.

Our markets, which have the reputation of being the fairest, the most efficient, the most transparent in the world, have suffered greatly in recent times, so much so that they seem to have lost the confidence of our investors. It is our purpose, with this legislation and through other actions that will have to be taken by the regulatory agencies and by the private sector, to see that once again our capital markets deserve the enviable reputation for fairness, efficiency, and transparency that they have enjoyed through the years.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Madam President, I yield myself such time as I may consume.

I want to begin with some thank-yous and congratulations. First, I want to congratulate Senator SARBANES on this bill, and I want to make note that in a very difficult period, where so many were trying to point the finger of blame, when it seemed almost every day that people were clamoring to make the strongest statement they could make to get the sound bite on television, Senator SARBANES could have taken that same route in the Banking Committee. We are the committee that has jurisdiction over the issues that had been at the very heart of our recent concerns in the capital markets.

However, Senator SARBANES did not take that route. I congratulate him. He not only brought good reflection on himself, but he helped raise the esteem that the Banking Committee is held in and reflected well on the Senate. We had hearings but we were focusing on what could be done to fix the problem. As a result, those hearings were the most productive that were held. They contributed to bringing us to where we are.

Now let me make it clear, from the very beginning there has been a broad consensus, and a very deep consensus, on 90 percent of the issues in this bill. One of my frustrations in this debate—and when you are debating something as high profile as this is, there are frustrations. I am not complaining—as my wife says whenever I complain about this job, not only did nobody force you to take it, but a lot of good people worked hard to keep you from getting it—I am not complaining, but part of our problem has been that the media has wanted to present this as a debate that had to do with how tough people were being, to the exclusion, often, in my opinion, of how reasonable we need to be.

We have before the Senate a bill that is clearly an improvement over the status quo. I don't care how disappointed you are in any one provision—and on several provisions I am very disappointed. No matter how disappointed a Member is, this is an improvement over the status quo, and for two reasons. One is obvious. That is, we needed stiffer criminal penalties. And, second, we needed to create an independently funded and an independently operating accounting oversight board so that we could deal with ethics questions in a framework that will promote high ethical standards, in the framework of independence. In addition, we desperately needed to have an independently funded FASB.

I would just say as an aside, Madam President, over the years I have agreed with FASB in some of their decisions; I have disagreed with FASB on some of their decisions. However, I am proud to be able to say today I have never taken the position that Congress ought to override FASB. As incomprehensible as some of their rulings have been to my way of thinking, having Congress vote on accounting standards is a very dangerous thing.

Some of our colleagues want to vote on the whole issue of expensing stock options. Wherever you come down on that issue, having Congress vote on accounting standards is very dangerous, very counterproductive. I hope that will not happen. Certainly, I am not going to vote to impose accounting standards on this board. We want FASB to set accounting standards. We want to be sure they have the independence that is necessary to allow them to do it.

In those areas there has never been a disagreement on this bill. The disagreements that have occurred have had to do with the perception of individual Members as to what was practical, what was workable, what was desirable. The one view I have always subscribed to, and I would have to say given my period of service in public life I am more convinced of it than ever, is that Thomas Jefferson was right when he said good men—he would say good people today, of course—good men with the same information are prone to have different opinions.

There is a natural tendency in the human mind to think, if people disagree with you, that either, A, they don't know what they are talking about; or B, they don't have good intentions. I subscribe to the Jefferson thesis.

The areas where I disagree with the bill are pretty straightforward. First of all, I believe there is a very real problem in auditor independence. If I were a member of this new accounting oversight board that we are going to put into place and I had to vote on the nine prohibited areas that are written into law in the bill, I would want to study them in detail. I might very well support all nine of them. I do not believe they should be written into law.

The advantages of letting the board set these standards—it seems to me that there are three:

No. 1, the board is going to have more time and more expertise than we have and is likely to do a better job.

No. 2, if we make a mistake and we write it into law, it is hard to fix things that are written into law. As Alan Greenspan has said, if Glass-Steagall, Depression-era banking legislation, had been a regulation, it clearly would have been changed by the 1950s. We did not change it until 1999. It took a long time to change it.

Finally, and probably of greatest importance, there is a natural tendency when we are talking about the problem in an era where we are all reading about Enron and WorldCom and the huge companies, to forget this law will apply to 16,254 companies. Many of these companies are quite small. One of the advantages of allowing the accounting oversight board to set out prohibitions on auditors performing other services in regulation, instead of prescribing them in law, is that the board can find a system whereby they can recognize what is practical in dealing with smaller companies and how that might differ from what is practical for General Motors.

An example that has come to my mind is one where I am operating a small public company, stock traded on an exchange or on Nasdaq, and I employ an accounting firm that has a CPA who basically does my auditing. He is in Houston. I am trying to hire a new bookkeeper in my company. I have three candidates. When my auditor is in town auditing my books, I say: I have these three candidates. I majored in physics in college, and I don't know anything about accounting. Could you interview these three bookkeepers and tell me who you think would be best?

Under this bill, that would be illegal. That would be providing a personnel service. It is prohibited for my auditor to provide that service for me as well.

For General Motors, should your auditor be providing a personnel service? My guess is they probably should not. But for this small company in College Station, Texas, what this prohibition ultimately will do is force them to do one of three things: In all probability, they will hire the bookkeeper without ever getting the advice of a CPA; No. 2, they can hire another CPA to interview these three candidates for a bookkeeper and pay them; No. 3, they can file for a waiver through the SEC and through the board. Each option is a worse choice from those available to such a small company today, and a worse choice for its shareholders.

The bill allows a waiver on an individual company by company basis. I rejoice that is the case. I personally believe we should have given the board, with the agreement of the SEC, the ability to grant blanket waivers based on the circumstances of classes of individual companies.

For example, if you have already granted 1,000 waivers where companies have applied for a waiver for a certain requirement based on their size, their location, practicality, the cost, whatever, at that point shouldn't the board be able to say: We have established this principle, and if your company meets these conditions, you are granted the waiver? Then, all they have to do is prove they meet the conditions.

My concern—and who knows, maybe this will be true, maybe it will not. The problem is we are legislating. We don't know. We can't look into the future. My concern is that by not granting them the ability to provide blanket waivers we are going to force a lot of smaller companies to hire lawyers and lobbyists to come to Washington to petition the SEC and the board. My concern is that this is going to use up their time and use up the resources of companies.

There is another side of this story and that is the concern that blanket waivers could be used to get around the intent of the law. How do you deal with that? How do you find a happy balance? It is not an easy question. I would have to say I believe we have imposed a one-size-fits-all regimentation that is going to be difficult to deal with—not impossible to deal with, but I think it is going to be difficult.

Another problem I have is that we have in this bill an accounting oversight board. Its members are not elected officials. They are not appointed in the sense that they are not Government officials. They will have the ability to make decisions that will affect the livelihood of Americans who are in the accounting profession. They will literally have the ability to say to a CPA: We are taking your license away and you can never practice again in providing accounting services to a publicly traded company.

Clearly, there are cases where that is justified. Clearly, there are cases where people ought to be fined and, clearly, there are cases where people ought to be put in prison. But I think when you are taking people's livelihoods, they ought to have an opportunity to appeal to the Federal district court where they live.

I think there ought to be a burden on them to make their case, and obviously the court is going to take into account that this board, that was duly constituted, made a decision. But I think that is an opportunity that people ought to have that they do not have under this bill.

I am also concerned about litigation. During the whole Clinton administration, there was only one bill where we overrode the President's veto, and that was a bill having to do with private securities litigation reform. We had a massive number of predatory strike suits where people filed lawsuits against companies. They almost always settled out of court. We had one law firm that filed the lion's share of the lawsuits. And the chief lawyer in that company said, in effect, ''It is wonderful to practice law where you don't have clients.''

That was a mistake when he said that, but he said it.

We took action to try to eliminate or minimize this abuse. In doing so, we codified a 1991 Supreme Court decision that addressed what happens if you think you have been wronged. We are not talking about criminal activity. We are not talking about SEC enforcement. We are not talking about the Justice Department. We are talking about civil disputes that people have. Under that law, in codifying what the 1991 Supreme Court decision said, we said that within a year after you believe you have been wronged, you have to file your lawsuit, and within 3 years after the event happens, you have to file your lawsuit.

One of the things this bill does, which I oppose, is it raises that to 2 years and 5 years, respectively. I would say that if there were evidence that people were not getting these lawsuits filed because of a lack of time, that under the circumstances I think that increasing the statute of limitations would have been justified. But as we have looked at the data, the mean average lawsuit is filed 11 days after the injury is discovered. Something like 90 percent of the lawsuits are filed in the first 6 months. It seems to me that this provision and other provisions of the bill that expand the ability of people to sue may have a positive effect in making people pay attention to their business, but we all know, based on our legal system, that it is going to be abused and that very heavy costs are going to be imposed on the private sector of the economy as litigation costs ultimately are added to the cost of the product that is produced and reduced from the stock value held by shareholders.

I could go on and on. There are other people who want to speak. We are under a time limit. But let me sum up.

I thought about this long and hard, and as I thought about this bill, I had to weigh, Does it do more good than harm? I have concluded that it does. It does less good than it could have done; it does more harm than it should have done—we could have corrected these things—but, quite frankly, in the environment we were in it was impossible. In the environment we were in, where everything was judged on some concept of being tough rather than on practicality and workability, it was impossible for us to come back and deal with these problems.

Finally, in the timeframe that we all faced in conference, we never really got around to discussing the practical kinds of things that do not seem important when you are writing law but seem very important 2 or 5 years later when you are implementing it.

Having said all that, I cannot stand up here and argue that this bill has worsened the status quo. This bill is better than the status quo for two reasons. No. 1, change needs to be made and criminal penalties need to be raised. These independent boards need to be established, and 90 percent of this bill, in my opinion, clearly represents a step in the right direction.

But, second—and this may sound like strange logic but I think it is important. I think to understand American government you have to understand it. The American people expect Congress to respond to a problem. We may not know the answer. We may not have perfect knowledge. But they expect us to try to do something about it. That in and of itself is an argument to which we should respond.

I would argue—being a conservative, as everyone engaged in this debate knows—I would argue we need to be careful. But in the end this bill is an improvement on the status quo. It could have been better. There are changes that could have been made that were not. But in the end, I cannot argue that this bill should not pass, should not become law. The President is going to sign the bill, and clearly he should.

I do believe we will have to come back after the fact and we will have to correct some of these issues. I think as time goes on we will see we may not have done enough in one area. Maybe we went overboard in another area. But the Congress will meet again, people will be paid to do this work, and I am confident that it will be done.

So let me conclude on this thought. I believe the marketplace has gone a long way toward solving this problem. I think the New York Stock Exchange action was excellent. Once again, they are proving that they are a great institution. As I have often said about the New York Stock Exchange, I feel as if I am standing on holy ground at the New York Stock Exchange.

Every boardroom is different from what it was before this crisis started. No one sitting on a board, corporate board or an audit committee, will ever be the same. No auditors will ever look at their task the way they did before all of this started, at least for a very long time. or at least for a very long time.

One of the advantages of having structure is when they forget, the structure won't forget. I totally agree with that. I think this represents a complement to it.

There is much in here I would have done differently. But in the end, I think this is a response that people can say the Government did hear, the Government did care, and Congress did try to fix it. I don't doubt that there are mistakes in here. I think I could name some, if asked to. But, on the whole, this is a response that was aimed at the problem. People went about it in a reasonable manner.

Certainly, the authors of this bill intended to do as good a job as they could do.

I again want to congratulate Senator SARBANES. I also want to thank him, looking back now at how quickly the conference went. I know people were unhappy when we had this period when the floor was tied up, and there were numerous amendments people wanted to add to the bill. But I think, given how the whole thing played out, it worked out from that point of view pretty much right.

If people on Wall Street are listening to the debate and trying to figure out whether they should be concerned about this bill, I think they can rightly feel that this bill could have been much worse. I think if people had wanted to be irresponsible, this is a bill on which they could have been irresponsible and almost anything would have passed on the floor of the Senate.

I think given where we are on this bill that it is a testament to the fact that our system works pretty well.

I yield the floor.

The PRESIDING OFFICER (Mr. EDWARDS). Who yields time?

Mr. GRAMM. Mr. President, I yield 12 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Thank you, Mr. President.

I am here today to speak in support of the conference report to the accounting reform bill. I will be encouraging all Senators to vote for the conference report.

This is earthshaking legislation that has been done with tremendous speed. It had to be earthshaking because we are trying to counteract the tremors from the volcanic action of the mountaintop being blown off such companies as Enron, WorldCom, Global Crossing, and others. Those collapses have set up a series of tremors across this country.

Congress is not the one to solve all the problems. But as Senator GRAMM just mentioned, we are expected to work at solving all of the problems. We have put in a huge effort on this bill, and it will make a difference.

While we have been working, the stock market has been going through some tremendous gyrations. I think some of those reactions in the stock market were to see how carefully we would consider and resolve this issue. I believe, the stock market was worried that we would overreact. The market watched to see if Congress would keep adding and adding things, until we destroyed the whole system. They can now see that did not happen—Congress acted responsibly. We took a long and tough look at the problem and reacted, but we did not overreact. At the same time corporations across the country have been making sure they did not have the kinds of problems brought to light in a few of these companies.

''Corporations'' should not be a bad word in this country. This country was built on business.

I always like to mention that it was primarily built on small business—small businesses that grew up, in many cases, but nevertheless ideas that started out as a small business.

We have to keep our focus on those small businesses, and make sure they are able to continue to operate in the climate that we have in the United States and under the laws that we pass.

I am pleased to say that the actions we took in this bill provide some assurance to small businesses and small accounting firms that they can continue to operate the way they have in the past.

We have given encouragement to the States not to run out and apply the same types of laws. I hope the States are paying attention because they will ruin a very good thing if they destroy small business. Keep the eye on small business, and we will continue to have big business.

Corporations have been checking what has been going on in their firms to a greater extent than they have ever before. Boards, CEOs, CFOs, and audit committees have been checking to see if they have the kinds of problems that brought down these other companies.

It is much like when there is a plane crash. Right after a plane crash is probably the safest time in the world to fly because everybody checks their equipment ever so much more carefully to make sure that the kind of defects that may have caused other problems will not happen to them. And the effect lasts for a long time afterwards.

Corporations have been checking their books. They have begun changing procedures. Some of the changes they have made have resulted in restatements. They have paid a price for doing restatements. But they have done the right thing by doing a restatement, and they should be recognized for that. I mentioned speed before. The Senate is not designed for speed. We started out slow. We held 10 hearings. We looked at the issues very carefully, everybody resolved in writing their own ideas.

One of the tough things about legislating is putting it down in writing. The concepts are so easy, but the details are so tough.

There are a number of people who drafted bills on this—both in the House and in the Senate. On this side, Senator GRAMM and I drafted a bill. Senator CORZINE and Senator DODD introduced a bill. Of course, Senator SARBANES had the overreaching bill, and I believe his benefited a little bit from having copies of both the House and Senate bills on which to build his bill. I compliment him for the way he took ideas from all of these different approaches.

Again, it shows the value of legislating by a wide variety of people. You get a wide variety of viewpoints, which actually provides some insights into areas that a person might not have thought about.

But, at any rate, we concluded the hearings, and we merged the bill. This came to committee the week before the Fourth of July. It passed out of committee in one day. It came to the floor of this body just 2 weeks ago. And now, it has already been conferenced, and come back to us for final passage. Part of that is a result of the atmosphere we are in, and the need for action. Timing can be everything on a bill. But part of it is because of the concentration of people who worked on this.

This legislation is a response to problems highlighted by the recent corporation failures of Enron, WorldCom, and others. It does send a clear signal to corporate America that executives can no longer abuse the trust their shareholders place in them without severe consequences.

This legislation builds a strong and independent board to oversee the accounting industry. It will eliminate the climate of self-regulation that has historically guided accounting.

However, I would like to make one point clear. I believe that, overall, accountants take their responsibilities very seriously. They did before, and they do now. We have the best system in the world. What we are doing with this is to maintain that we have the best system in the world. Most accountants are honest and hard working. They work for the benefit of the investors with probably the same percentage of exceptions as other professions.

This legislation will also provide for strong disciplinary action against executives who break the law. No longer will they be disciplined with a slap on the wrist. The bill recognizes that executives who destroy the dreams of investors by irresponsible and unethical behavior will be given the severe punishment they deserve.

I also want to again thank Senator SARBANES and Senator GRAMM for their leadership on this issue. They both have worked tirelessly the past few months to get this bill finished in a timely manner. I particularly appreciate some of the insights Senator GRAMM gave me as he worked on this bill in more detail than most people ever achieve. It is his standard, and he carried that out again this time, which did resolve a number of the problems. I want to congratulate Senator SARBANES, and thank him for the way he conducted the hearings. A lot of people do not realize that the Chairman of a committee usually gets to pick most of the witnesses, and the ranking member gets to pick a few of the witnesses.

As we went through these 10 hearings, I couldn't find any witnesses that I wouldn't have picked were I given the selection. There were some very qualified people who testified. Some of them were even accountants. I did appreciate that. I apologize for asking some questions of them but it was such a great opportunity for me. My staff noticed that when the camera focused in on the person giving the answer, the wedge of people behind them were all asleep.

So what we dealt with is not the kind of thing that Americans get really excited about. It is far too detailed for us to get too excited about it. For accountants, these kinds of discussions are almost like watching ESPN.

Senator SARBANES did continue to meet with me and other Members and continued to make changes that improved the bill. There was a wide variety of Senators who worked on this bill. I have mentioned Senators DODD and CORZINE and GRAMM. Senator EDWARDS worked with me on one provision that is in this bill to make sure that not only accountants, analysts, CEOs, CFOs, Boards and audit committees were addressed under this bill, but lawyers have some responsibility, too.

I find it very exciting we are going to make lawyers have a code of ethics when they are dealing with the Securities and Exchange Commission, and that they are going to have an obligation to report things when they find them. I know that causes some consternation among some attorneys, but I think it will make, overall, the same kind of improvements we are expecting from everybody else.

Senators ALLEN, GREGG, BAUCUS, GRASSLEY, and KENNEDY all worked on some provisions that we don't talk about too much; again, it is in the detail area, but it has to do with the blackout period when you are dealing with pension and other stock sales by executives. I know the intense hours it took to come up with a solution that would work. And if you have that many people agreeing on it, there is probably a good chance it will work.

Again, I congratulate all those people for their constraint in limiting their ideas to what needed to be done for this bill. A lot of ideas were floating around here on lots of things we can with corporations and executives that people want to have fixed, but this bill did maintain some real constraint to stay on topic.

I do believe the conference report is an improved bill from the one that passed the Senate. Again, I appreciate Senator SARBANES working with me to make some of the changes about which I spoke.

One change we made changes the implication that not all nonaudited services should be presumed illegal. The bill has been changed to clearly allow the audit committee to make that determination without the law implying that it is illegal.

In addition, he made some changes dealing with the testing of internal compliance. I believe the new language more clearly represents the true role of auditors. One of the problems we dealt with throughout this process is educating Members on exactly what the role of an auditor is. I believe the new language represents that realization, and I thank the chairman for making the change.

There is another important change in the provision dealing with corporate loans. The provision would still prohibit corporate executives from reaping millions of dollars in loans from their companies, but the new language also realizes that executives need to use things such as credit cards to conduct their business. So this section is a vast improvement.

Another item I would like to comment on is the understanding that insurance companies, many times, have audits they must file with their State regulators. It would be burdensome and expensive to require these companies to hire a separate auditing firm to perform this responsibility. That problem was also recognized, and the needed changes were made.

However, I also understand that due to the time constraints, a report will not be filed with the bill. I think this will pose a series of problems because we will not be defining what the authors actually intended with certain sections of the bill and allowing the same written discourse that there would be on the bill. I think this may especially cause problems with the extraordinary number of regulations that are going to have to be written to implement the bill.

As the ranking member of the subcommittee with jurisdiction over the Securities and Exchange Commission, I do intend to work closely with the Commission to ensure that the new regulations are consistent with what I see as congressional intent. I will work with others to make sure these regulations conform.

I ask the ranking member, could I have an additional 3 minutes?

Mr. GRAMM. Sure.

Mr. President, I yield an additional 3 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. I thank the Senator.

Mr. President, some of the issues that did not come up in this bill dealt with FASB. We did something marvelous for FASB. We made sure of its independence. One way we made sure of its independence, besides citing in the law, was to make sure FASB has independent funding. They will not have to come to Congress with a budget. And they will not have to go to corporate America for funding. They will get independent funding to be able to do the job they need to do. That will inhibit us from trying to change what they are doing in setting accounting standards.

I am pleased to state that we have taken a look at the things they are working on right now. They are working on four issues that are extremely important to make sure what happened with other companies will not happen again.

I have to tell you, in those four things they have listed as a priority, one of them is not stock options and what to do with them. They do need to address that, but I certainly hope that Congress does not decide that what we see as a problem does supersede other problems that may have caused collapses such as Enron's.

So I hope we will not get in a position of dictating now to FASB what they should be working on, and in what order, and to what degree, or, worse yet, just going ahead and passing accounting standards on our own.

With respect to section 302, the conference recognizes that results presented in financial statements often necessarily require accompanying disclosures in order to apprise investors of

the company's true financial condition and results of operations. The supplemental information contained in these additional disclosures increases transparency for investors. Accordingly, the relevant officers must certify that the financial statements together with the disclosures contained in the periodic report, taken as a whole, are appropriate and fairly represent, in all material respects, the operations and financial condition of the issuer.

I also believe the conferees contemplate that the Board will have discretion to contract or outsource certain tasks to be undertaken pursuant to this legislation and the regulations promulgated under the Act. The Board may outsource functions which can be done more efficiently by existing and established organization. An exercise of discretion in this manner does not absolve the Board of responsibility for the proper execution of the contracted or outsourced tasks.

I also believe that the Conferees expect that the Board and the standard setting body will deem investment companies registered under Section 8 of the Investment Company Act of 1940 to be a class of issuers for purposes of establishing the fees pursuant to this section, and that investment companies as a class will pay a fee rate that is consistent with the reduced risk they pose to investors when compared to an individual company. Audits of investment companies are substantially less complex than audits of corporate entities. The failure to treat investment companies as a separate class of issuers would result in investment companies paying a disproportionate level of fees.

In addition, I believe we need to be clear with respect to the area of foreign issuers and their coverage under the bill's broad definitions. While foreign issuers can be listed and traded in the U.S. if they agree to conform to GAAP and New York Stock Exchange rules, the SEC historically has permitted the home country of the issuer to implement corporate governance standards. Foreign issuers are not part of the current problems being seen in the U.S. capital markets, and I do not believe it was the intent of the conferees to export U.S. standards disregarding the sovereignty of other countries as well as their regulators.

I also realize inconsistencies appear in sections 302 and 906. The SEC is required to complete rulemaking within 30 days after the date of enactment with regard to CEO certification under section 302. However, section 906 suggests that certification would be required upon enactment, thus the penalties would go into effect before the certification requirement is completed through the rulemaking process. I believe it was the intent of the Conferees that the penalties under section 906 should not become effective until the rulemaking process is finalized.

Under the conference report, section 3(a) gives the SEC wide authority to enact implementing regulations that are ''necessary or appropriate in the public interest.'' I believe it is the intent of the conferees to permit the Commission wide latitude in using their rulemaking authority to deal with technical matters such as the scope of the definitions and their applicability to foreign issuers. I would encourage the SEC to use its authority to make the act as workable as possible consistent with longstanding SEC interpretations.

Finally, I not only thank the Senators I have been able to work with on this, but I also thank the staffs. I thank particularly Katherine McGuire, my legislative director, and Mike Thompson, who handles my banking issues. I also thank Kristi Sansonetti, who works on all of my legal issues, and Ilyse Schuman, who played a very important role in the blackout pension period.

I thank, on Senator SARBANES's staff, Steve Harris, Marty Gruenberg, Steve Kroll, Dean Shahinian, Lynsey Graham, and Vince Meehan.

I thank, on Senator GRAMM's staff, Wayne Abernathy, Linda Lord, who is probably one of the most knowledgeable lawyers in this area I have ever encountered, Michelle Jackson and Stacie Thomas.

And, on Senator DODD's staff, I thank Alex Sternhell.

America will never know all the work these people have done on this bill, the hours they have spent on it, daytime and nighttime. I have seen them working in the early morning hours on this, and that is after spending the previous night working on it. They have just spent incredible time on this.

There is some incredible expertise among these people. Without their help, we would have never gotten to this point. So I thank all of them.

I thank the chairman and Senator GRAMM and all the others who have had a part in this. It is time we adopt this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, let me first say, I think Senator ENZI has been extremely gracious in recognizing the extraordinary contribution that has been made by the staff as we have formulated this legislation. I appreciate him doing that. I certainly associate myself with his remarks about the dedication and the perseverance and the extraordinarily high level of competence that is brought to this matter by staff on both sides of the aisle—committee staff and personal staff.

Mr. President, I yield 10 minutes to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. CORZINE. Mr. President, I am honored today to stand before the Senate to express my strong support and appreciation for the conference report that I suspect, within an hour or so, we will adopt, and, hopefully, unanimously, as we did the original bill that came out of the Senate.

I think it is historic. I think it is truly critical in bringing about the kind of important reforms that will make a real difference to our financial system, not just today but I think as a standard it will be very much an important part of the structure of our financial system for decades to come.

I have said often, since we have talked about this legislation, that it really does, in my mind, fill a large gap that has been missing in our securities laws that were written 70 years ago. I think it very well may be the most important step we will have taken in that interim period, to make sure we have a measured but strong securities and reporting structure in our Nation that makes for the depth and breadth and beauty and effectiveness of our financial markets.

This legislation, as has been noted, comprehensively deals with reform of our accounting profession, enhances corporate accountability, improves transparency, moderates conflicts in a number of parts of our financial world, deals with the transparency of corporate financial statements, strengthens the SEC, tightens penalties and more securely sets the law, and ultimately, I believe, will restore the trust, the needed trust, and investor confidence in the integrity of America's capital markets.

This was an absolutely necessary step at this time in our Nation's history. There has been an enormous betrayal of trust, demonstrated, certainly, by the headlines and the litany of corporate abuses. Let me say, it goes deeper than just the headlines. There have been 1,100 corporate earnings restatements in the last 4 years. There is a basic loss of more than just the simple sense of trust that people get from the headlines. It is hard for people to make investment decisions when they don't have good facts, good numbers, and the ability to draw good conclusions about where the investor dollar should go.

It has led to a misallocation of capital. And there was a serious need for people to have reform in this area because this betrayal really went at the heart of why people were employees of various firms, why investors put their trust in investing in companies, and why the American system, which so relies on trust, has been called into question with respect to the integrity of our financial markets in recent days.

It is an extraordinary step. I am pleased to have been a part of it.

I see the chairman just left the Chamber. I want to take a few moments to make sure he knows how strongly I feel about the leadership he played. For those who were not a part of this measured process that Chairman SARBANES put forward—I have said this to him personally—the 10 hearings we had were the moral equivalent of a graduate finance program. I

suspect that very few times in congressional history have we seen the breakdown in the detail and presentation of sophisticated information, complicated topics, presented with the security and integrity that were presented in our hearings that led to the creation of this legislation. He did an incredible job of putting together a bill.

I get a little nervous when I hear people say this was a rush to justice, a rush to an answer. This was one of the most thoughtful and measured programs of review put in place before the legislation was written that absolutely could ever have been conceived. He deserves enormous credit for making sure we were thoughtful in the process.

Like Senator ENZI, I compliment all the staffs who were involved in this. This was an incredible effort on all of their parts. From the bottom of my heart—and I am sure all those others who were involved in this process—I truly appreciate the thoughtfulness and care they all gave to it.

I also would be remiss if I did not mention Senator DODD for his great help in originally putting together our initiatives with regard to accounting reform, corporate oversight, and resourcing the SEC, which I think are fundamental parts of the legislation. We feel good about that. I think Senator DODD has taken an extraordinary step in leadership.

Once again, I say to the Senator from Wyoming, this is about making America better. It is fundamentally about doing the right thing at the right time. His leadership on that, to make sure we stayed constrained, as he says, thoughtful, and measured about how we addressed the problem, has been most appropriate, and I have appreciated the opportunity to work with him. I compliment him for that effort.

I would say the same about the Presiding Officer. The addition of a number of the amendments that have come, particularly with regard to bringing in the responsibility that is associated with lawyering in America, as important as it is for accountants and CFOs and CEOs, I think was an important step. There has been a lot of really great effort here.

Now that the chairman is back in the Chamber, I want to say again, this is a classic example of quality leadership, of thoughtful leadership, and getting to a result that will make a difference in the lives of Americans in the years ahead.

This is a little more personal for me because for the 5 years before I came here, I was a CEO. Sometimes you want to hide from that moniker these days since it is not so popular. I think these days about the words of Andy Grove, who said that he was ashamed and embarrassed by some of the actions and many of the actions that are associated with the abuse we have seen. I stand with Andy Grove on that.

This is not one of our prouder moments in our financial system. But what does make me proud is that we could work together in a bipartisan way to come to a thoughtful, measured response that will make a difference, that really will move our securities laws in a direction that will give the American people confidence in how they read an income statement, when they look at a balance sheet and when they judge where they want to work, that they will have the necessary information.

I am not going to go into detail on the bill. Senator SARBANES and Senator ENZI did that. It is a great piece of legislation. I don't think it went too far at all. In fact, I think it is about spot on. I am sure there will be things we will need to review in time, tweak with, but this is a good set of initiatives which will make a difference in America's financial system.

When we address these issues, it does beg to recognize that there are additional tasks that need to be addressed. I heard the chairman talk about it is not good enough to authorize; we have to appropriate the funds to go with the necessary obligations we put on the SEC; we need to make sure our new advisory board actually has the resources. I think we do. But their independence, their ability to function, will come because they have the resources. The same as the SEC; we have to do our job in the second part of this to make sure those resources are available.

We do need to make sure the SEC Commissioners are in place so that we can have a credible process of looking at enforcement and review of laws and making sure that as we structure the SEC in the days going forward, we have the best of minds brought to bear there. I hope we can vote on these Commissioners very quickly.

For myself—I know there are differences of views about this—there are other unmet items on the agenda. Not necessarily do they apply to this bill, but in my view we should, as a nation, deal with the stock options issue. I don't think Congress should write the accounting rules, but I believe to recognize that stock options are an expense is relatively self-evident to those who have operated in business. They are used as a substitute for compensation. Compensation is an expense. That is why you see Chairman Greenspan and all of what I think is the critical weight of those who have observed on this issue speaking out that this is an issue that needs to be addressed. The Bermuda registry of companies, derivatives regulation are also issues.

Could I have 1 additional minute?

Mr. SARBANES. I yield an additional minute.

The PRESIDING OFFICER. The Senator may continue.

Mr. CORZINE. We need to address these issues. There are missing gaps in other parts of our oversight of our securities markets and financial markets that need to be addressed.

Finally, I believe there is a gaping hole in our oversight of what our investors and employees and the public need to see addressed, and that is pension reform. I know working their way through Congress right now are a number of initiatives on it. Fewer than 50 percent of Americans have pensions. We have a major need to address this. We should pull it together in as thoughtful a way as Chairman Sarbanes has led our Senate to this conclusion, led this debate to a positive conclusion. I hope we will address that in the future. So, once again, I express my great gratitude to all those involved. I particularly thank Chairman SARBANES for his strong leadership.

Mr. SARBANES. Mr. President, I thank the able Senator from New Jersey for his kind and gracious remarks about my efforts. I underscore the enormously valuable contribution that Senator CORZINE made to the development not only of this legislation but all of the work that has come before the committee. He brought a perspective and perception here that were extremely important, enabling us to work through some difficult issues. I appreciate that.

I yield 7 minutes to the Senator from Vermont, chairman of the Judiciary Committee.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I thank the chairman. The Senator from California wishes 1 minute. I yield 1 minute to her.

Mrs. BOXER. Mr. President, I came to the floor to give my deepest thanks to Senator SARBANES and Senator LEAHY for leading us in just the way we needed to be led toward a tough, fair reform that would lead to confidence in our financial system. I also thank Senator ENZI for his work.

I was a stockbroker years ago, decades ago, and in those days the big accounting firms were known for their integrity, and CEOs were highly respected. That check and balance was lost along the way and it must be restored.

I believe this bill will do it and our people will, once again, have trust and confidence in our financial system. They will know when they read an annual report and it is signed off on by an accounting firm that it means what it says and says what it means. That will bring the stock market back into balance. It will not happen tomorrow. This isn't magic legislation. But over time confidence will be restored and our economy will be on solid footing once again. I thank my friends.

Mr. LEAHY. Mr. President, I thank Chairman SARBANES for his leadership on this impressive bill and on the conference agreement. The then-Congressman SARBANES was one of the first people I met when I came to Washington as an elected Member of this body. We have been friends from that time forward. I have been so pleased to work with him.

I am proud that the conference agreement includes and adopts the provisions of the Leahy-McCain amendment,

which the Senate adopted by a 97-to-0 vote—again, with the strong help and support of the Senator from Maryland.

These provisions are nearly identical to the Corporate and Criminal Fraud Accountability Act, which I introduced with Majority Leader DASCHLE and others in February. It was reported unanimously by the Senate Judiciary Committee in April.

The Presiding Officer helped get this through the Judiciary Committee. The Leahy-McCain amendment provides new crimes with tough criminal penalties to restore accountability and transparency in our markets. It accomplishes this in three ways: No. 1. It punishes criminals who commit corporate fraud. No. 2. It preserves evidence that can prove corporate fraud. No. 3. It protects victims of corporate fraud.

As a former prosecutor, I know nothing focuses one's attention on the question of morality like seeing steel bars closing on them for a number of years because of what they did.

The conference report includes a tough new crime of securities fraud which will cover any scheme or artifice to defraud investors. We added the longer jail term of the other body.

There are three key provisions of the Senate-passed bill that were not in the recently passed House bill but are now in the conference agreement. I think they are truly an essential part of a comprehensive reform measure. First, we extend the statute of limitations in securities fraud cases. In many of the State pension funds cases, the current short statute has barred fraud victims from seeking recovery for Enron's misdeeds in 1997 and 1998. For example, Washington State's policemen, firefighters, and teachers were blocked from recovery of nearly $50 million in Enron investments by the short statute of limitations. That is why the last two SEC Chairmen—one a Republican and the other a Democrat—endorsed a longer short statute of limitations to provide victims with a fair chance to recoup their losses.

Secondly, we include meaningful protections for corporate whistleblowers, as passed by the Senate. We learned from Sherron Watkins of Enron that these corporate insiders are the key witnesses that need to be encouraged to report fraud and help prove it in court. Enron wanted to silence her as a whistleblower because Texas law would allow them to do it. Look what they were doing on this chart. There is no way we could have known about this without that kind of a whistleblower. Look at this. They had all these hidden corporations—Jedi, Kenobi, Chewco, Big Doe—I guess they must have had ''little doe''—Yosemite, Cactus, Ponderosa, Raptor, Braveheart. I think they were probably watching too many old reruns when they put this together. The fact is, they were hiding hundreds of millions of dollars of stockholders' money in their pension funds. The provisions Senator GRASSLEY and I worked out in Judiciary Committee make sure whistleblowers are protected.

Third, we include new anti-shredding crimes and the requirement that corporate audit documents be preserved for 5 years with a 10 year maximum penalty for willful violations. Prosecutors cannot prove their cases without evidence. As the Andersen case showed, instead of just incorporating the loopholes from existing crimes and raising the penalties, we need tough new provisions that will make sure key documents do not get shredded in the first place.

It only takes a minute to warm up the shredder, but it can take years for prosecutors and victims to prove a case.

The conference report also maintains almost identical provisions to those authored by Senator BIDEN and approved unanimously by the Senate. These include enhanced criminal penalties for pension fraud, mail fraud, wire fraud, and a new crime for certifying false financial reports. As chairman of the Judiciary's Subcommittee on Crime and Drugs, Senator BIDEN deserves praise for his leadership of these issues.

It is time for action—decisive and comprehensive reforms that will restore confidence and accountability in our public markets for the millions of Americans whose economic security is threatened by corporate greed.

We cannot stop greed, but we can keep greed from succeeding.

We have seized this moment to make a good beginning to fashion protections for corporate fraud victims, preserve evidence of corporate crimes and hold corporate wrongdoers accountable. We have much to do to help repair the breaches of trust that have so shattered confidence in our markets and market information. We have made a good start today toward restoring that confidence but more will be needed. In addition we will need swift and strong enforcement actions and good faith administration of the reform set forth in our conference report. Our conference is concluding but our work is just beginning.

Again, I thank the Senator from Maryland.

Mr. SARBANES. Mr. President, I thank the Senator from Vermont. I underscore again how important his contributions were. The Senate Judiciary Committee reported out a bill without opposition in the committee. That is something which accompanied this legislation.

I yield 4 minutes to the Senator from South Dakota, and then it is my intention to go to the Senator from North Carolina.

Mr. JOHNSON. Mr. President, most of all I thank him for his extraordinary leadership on the development of this landmark legislation. I think it is fair to say this is the most critically important piece of investor protection legislation since the Securities Act of 1933 or the Securities Exchange Act of 1934.

This comes on the heels of the disclosure of corporate corruption that has been endemic in recent months, where we have witnessed lost jobs, lost savings, lost pensions, and ultimately lost confidence worldwide in America's capital markets.

There is an urgency that strong legislation be passed by this body and the Congress to restore confidence—restore both the perception and the reality of integrity in our capital markets.

This legislation is strong legislation. That is why it has been applauded by editorial writers from the east coast to the west coast. Senator SARBANES has been the subject of much congratulatory observation on the part of so many. This comes on the heels of, frankly, much weaker legislation that had been passed previously in the House of Representatives, the other body.

By passing a strong Senate bill, we were able to go to conference. I am proud to have served on that conference committee and to craft legislation there that goes in the direction of the Senate rather than in the direction of the other body and gives this Nation strong securities legislation. It provides a stiff penalty for corporate wrongdoing, creates a strong oversight board to ensure that corporate audits are done properly, and that the books, in fact, are not cooked. It imposes tough new corporate responsibility standards and implements control over stock analysts' conflicts of interest, so they are not making a fortune while advising their clients to invest. It requires public companies to quickly and accurately disclose financial information. It ensures that the Securities and Exchange Commission has the resources to accomplish its mission of regulating the securities markets.

These important provisions will ensure that America's financial markets remain efficient and transparent and the envy of the world. It will benefit average people who may not have had enough information to make informed decisions in the past and certainly could not have possibly known that the books were cooked, that the audits were incorrect, and that corruption was running rife. They had no way of knowing that.

This will turn that around. This is not the last word, but this is a critically important step in the right direction to returning integrity to our markets. We can observe, having come through this horrible experience in recent months of disclosure after disclosure of corruption having taken place, a recognition that free market economies can only work when there is a cop on the beat. Free market economies can only work when there are fair, well-enforced, and strictly enforced rules. A free market economy without rules, without a cop on the beat, is not an economy that will ever work at all.

This goes a long way, I believe, to reviving confidence in America's economic future. It goes a long way to restoring the fairness and transparency

so that people may make their investments—and investments may go up, and they may go down, but they can know when they make those investments, they are making those investments based on true and accurate analysis and not on bogus numbers that some audit firm on the take has been willing to put forward as the truth when, in fact, they are not the truth.

Again, the whole Nation owes a great deal of gratitude to Chairman SARBANES and to the Senate, in this case, for what I am confident is going to be an overwhelming vote in favor of this legislation.

I yield the floor.

Mr. SARBANES. Mr. President, I yield 6 minutes to the Senator from North Carolina.

The PRESIDING OFFICER (Mr. CORZINE). The Senator from North Carolina.

Mr. EDWARDS. Mr. President, I thank, along with all my colleagues, Senator SARBANES for the extraordinary work he has done on this bill. We are proud of him. America appreciates very much what he and others who have worked with him have done.

I also thank Senator ENZI, who is in the Chamber, and Senator CORZINE, who is presiding, for the work they have done with me on what I think is an important part of this legislation which, in addition to corporate CEOs and accountants, is holding the lawyers involved in these transactions responsible and accountable; that if they see something wrong occurring, they should do something about it—report it to their client, to the corporation, report it to the CEO, the chief legal officer and, if necessary, report it to the board.

In Congress, we are doing what needs to be done and stepping to the plate with regard to corporate responsibility. That is in striking contrast to what is going on in my home State right now.

At a time when Americans are demanding more corporate responsibility, when Congress is stepping up and doing what needs to be done, the President has gone to North Carolina today to ask for less corporate responsibility, to make it easier on insurance companies and to make it harder on victims.

The President is in North Carolina today proposing some of the smallest limits that have ever been proposed for families who have suffered tragedies, serious problems, as a result of poor medical care at a time when medical malpractice insurance premiums constitute way less than 1 percent, substantially less than 1 percent, of medical care costs in this country.

The President is holding a roundtable, as I speak, on this subject. I would like to see how many victims of medical negligence, of medical malpractice, people who have been devastated and their lives devastated, are participating in this roundtable. I know these people. For many years I have represented them. I have been in their homes. I have been in homes and spent time with families whose child will never walk, who have been blinded for life, who have been crippled for life, who have suffered injuries from which they will never recover.

These children blinded for life, crippled for life, severely injured for life—there is a description in the HHS report on which the President is relying which talks about when juries find they have been hurt and award money to them, they describe it as ''winning the lottery ticket.'' The parents of a child who has been blinded for life, the parents of a child who will never walk, rest assured they do not believe they have the winning lottery ticket.

My question is: How many of those people are the President talking to when he is in North Carolina today? The next time he comes back to North Carolina, we invite him to talk to some of those people because those are the ordinary Americans to whom he should be talking. Those are the people who are going to be impacted. The children who have suffered serious injuries are the ones who are going to have the greatest impact and have their rights taken away by what the President is proposing.

Unfortunately, listening to ordinary people is not what this administration does. They have done it time and time again. It is stunning, but it is sad and consistent. When this administration has a choice between protecting the rights of big companies, big insurance companies versus the rights of ordinary people, they choose the big insurance company, the big companies every single time. They have been dragged kicking and screaming to do something about corporate responsibility, which we are doing in the Congress.

On the Patients' Bill of Rights, on which Senator KENNEDY, Senator MCCAIN, and I have worked so hard, they have consistently sided with the big HMOs, which is why we do not have a Patients' Bill of Rights in this country.

On prescription drugs, when we tried to do something about the cost of prescription drugs on the floor of the Senate, this administration consistently sided with the big drug companies. When it comes to the environment, this administration has weakened clean air laws that protect the air for our children and consistently sided with the big energy companies that are polluting our air.

Today the President adds to that list, in going to the State of North Carolina, the big insurance companies. This President loves to talk about compassion. My question to him is: Where is his compassion for the victims?

Mr. President, I yield the floor.

Mr. BAYH. Mr. President, I rise today in support of the accounting reform and corporate responsibility conference agreement. I do so, because I believe very strongly that it is in the best interests of America at this critical time in our history.

I believe it goes way beyond mere accounting issues. What we are agreeing to today deals with the financial security of millions of individual investors across this country, the security of their pensions, their 401(k) programs, and their other investments for the future of their children and their grandchildren.

What we are talking about today involves the very vitality of our economy, the amount of investment that will take place in the economy, the number of jobs that will be created, and the vitality of farms. It involves the standing of AMERICA in the international economy, whether we will continue to be a safe haven for investments from those abroad, attracting the capital that helps us build a strong foundation for America's economy.

More than anything else, this bill embodies the basic values upon which this has been based. It clearly answers the question: Will we continue to encourage those virtues that have always characterized America and will our Nation continue to be the land of opportunity based upon hard work, honesty, and playing by the rules or, will we be perceived as the land of opportunity based upon deceit. I believe that the right answer, based upon traditional values and virtues, is embodied in the accounting reform and corporate responsibility bill.

I congratulate our colleagues, Senators SARBANES, DODD, CORZINE and ENZI. They demonstrated leadership and foresight in this issue.

Since the tragedies of 9/11, our country has been involved in twin struggles: One, the physical national security of this country; and, second, getting this economy moving again to ensure the economic security of Americans across this country. There are parallels between these two challenges. Both occurred as a result of unexpected tragedies but have presented us with opportunities to make this an even better, stronger, more secure Nation. Both involve breaking the political gridlock and the bureaucratic inertia that all too often make progress in this Capitol difficult. And both involve striking the right balance between individual freedom and liberty on the one hand, that we cherish, and collective security, which makes individual liberty meaningful, on the other.

Let me conclude where I began. This issue goes a long way beyond mere accounting issues. It goes a long way beyond economic policy. It goes to the very heart of who we are, what we stand for as a people, and the kind of values we cherish in the United States of America. This will protect individual investors. It will help to ensure the integrity of our economy. But more than anything else, it will ensure that those Americans who have embraced our tradition with virtues, who have worked hard and saved their money, who have played by the rules, and are honest are able to get ahead in this society.

It will send a loud and clear signal to those who practice corporate fraud that they do not have an avenue to success in this country. That does not embody the best values of America. I strongly support the accounting reform and corporate responsibility conference agreement. I urge my colleagues to enact this important legislation.

Mr. KERRY. Mr. President, I strongly support the Sarbanes-Oxley Act of 2002 because it will help end the corporate abuses that in recent months have plagued our economy and will help restore confidence in our economy. I would like to take this opportunity to express my appreciation for the efforts that Senator PAUL SARBANES, Chairman of the Senate Banking, Housing and Urban Affairs Committee, has made to develop and enact this important legislation. As a former member of the Banking Committee, I know how difficult it is to respond quickly to recent events that affected our capital markets. However, Senator SARBANES has put together a coalition which led to a unanimous vote in support of his bill in the Senate, and the provisions of which is the base text for this conference report.

The United States must stand for the fairest, most transparent and efficient financial markets in the world. However, the trust and confidence of the American people in their financial markets have been dangerously eroded by the emergence of serious accounting irregularities by some companies and possible fraudulent actions by companies like WorldCom, Inc., Enron, Arthur Andersen and others. Some investment banks have been charged with publicly recommending stocks for public purchase that their own analysts regarded as junk.

The shocking malfeasance by these businesses and accounting firms has put a strain on the growth of our economy. The misconduct by a few senior executives has cost the jobs of hard-working Americans, including 17,000 at WorldCom and thousands more at companies accused of similar wrongdoing. The lack of faith in our financial markets contributed to an overall decline in stock values and has caused grave losses to individual investors and pension funds. For example, the losses to the California Public Employees Retirement System from the recent WorldCom disclosures total more than $580 million.

The conference report creates a new Public Company Accounting Oversight Board to oversee the auditing of companies that are subject to the federal securities laws. The Board will establish auditing, quality control, and ethical standards for accounting firms. The conference report restricts accounting firms from providing a number of non-audit services to its audit clients to preserve the firm's independence. It also requires accounting firms to change the lead or coordinating partners for a company every five years.

The conference report requires CEOs to certify their financial statements or face up to 20 years in prison for falsifying information on reports. It keeps executives from obtaining corporate loans that are not available to outsiders. It requires public companies to provide periodic reports to the SEC on off-balance transactions, arrangements, obligations and other relationships that may have a material current or future effect on the company's financial condition. It requires directors, officers and 10 percent equity holders to report their purchases and sales of company securities within two days of the transaction.

I am pleased that the conference report includes the Corporate Fraud and Criminal Fraud Accountability Act which will provide for criminal prosecution and enhanced penalties of persons who defraud investors in publicly traded securities or alter or destroy evidence in Federal investigations. It will also prohibit debts incurred in violation of securities fraud laws from being discharged in bankruptcy and protect whistle blowers who report fraud against retaliation by their employers.

The conference report requires the SEC to adopt rules to foster greater public confidence in securities research including: protecting the objectivity and independence of stock analysts who publish research intended for the public by prohibiting the pre-publication clearance of such research or recommendations by investment banking or other staff not directly responsible for investment research; disclosing whether the public company being analyzed has been a client of the analyst's firm and what services the firm provided; limiting the supervision of research analysts to officials not engaged in investment banking activities; protecting securities analysts from retaliation by investment banking staff.

The provisions included in this legislation will help restore confidence in our capital markets and in turn will help provide for future economic growth. It is an important first step, not a last. Mr. President, I am pleased to support the Conference Report and will continue to look for ways to improve investor confidence in our financial markets.

Mr. SCHUMER. Mr. President, everyone knows that New York City is the financial capital of the world. Yet as we continue to rebuild our city in light of the tragic events of September 11, we are now faced with the devastating effects of depressed markets and unsure investors, who are once again victims. With more than half of American households investing in the markets, we're all affected by a crisis in investor confidence.

I can't think of a more appropriate time than the present for the Senate to debate legislation to restore dwindling investor confidence and bring sound footing back to our financial markets. Isn't it ironic? Just a few weeks ago, the headlines read ''Sarbanes bill dead'' or ''Accounting Reform Fading.''

In the wake of recent revelations about WorldCom and just 2 days ago Merck, corporate corruption has reached an all-time high; we are now at a new level of corporate corruption. We've reached a new low and the question every member of the Senate must be asking is: ''Where does it end?''

Buzzwords like ''accounting fraud,'' ''corporate corruption,'' ''Restatements,'' ''Cooking the books,'' are being bandied about in the press, in the coffee shops, at the dinner tables across America. Just this weekend at the Taste of Buffalo, people came up to me and said ''Throw 'em in jail, Chuck!'' They were talking about the Ken Lay's, Bernard Ebers', the Andrew Fasdow's of the corporate world. White collar criminals who ran giant corporations and used tricky gimmicks to rob investors of not only their hard money but also their confidence in the strongest and fairest markets in the world. * * * They are the investment giants: Enron, Arthur Andersen, Adelphia, CMS Energy, Reliant Resources, Dynergy, Tyco International, and now Xerox and WorldCom. A mere handful of our nations top companies who have gone under as a result of misrepresented earnings and poor management. In less than a years time, these so-called investment giants through the great gift of deceit and tricky accounting practices have reduced themselves to mere shells of their former existence.

As a result, their use of tricky gimmicks to hide the real picture and literally milk the system dry have caused investors around the globe to question integrity of our nations markets, which are supposed to be the strongest and most resilient because they are perceived as the most open, most transparent markets in the world. Up until now, the United States had been a magnet for foreign investment. Yet, the selfish, greedy actions of a small few have led to a steady and precipitous drop in foreign investment in our financial markets.

It is no secret that greed played a major role in our markets rapid decline and slow demise. The heads of these entities stole millions, some billions of dollars from investors, and it is now time that we make them pay for their actions.

I commend the NASDAQ and the New York Stock Exchange for their announcements of new, tough corporate governance standards. The New York markets have taken the first steps to correct corporate corruption, and now it is our turn to find the right balance in light of these unsteady markets and times.

So what is the right balance? The right balance is one that will not only offer strict corporate governance laws, protect the average investor from being swindled out of his or her hard earned savings by a fast-talking, wheeling and dealing broker, but will

also severely punish those individuals who intentionally mislead investors with faulty practices. That is why I am introducing the following amendments to the Public Company Accounting Reform and Investor Protection Act of 2002 to further limit the ability of company execs from personally manipulating and rigging the system for their personal benefit and interest.

The first amendment prohibits companies from issuing personal loans to company executives as seen with Worldcom, whose CEO received more than $300,000 in loans from the technology giant. Instead, CEOs will have to go to the bank, just like everyone else, to acquire a loan; which, will reduce the risk of CEOs ability to use company funds for personal purposes.

The second amendment requires company execs to forfeit any and all bonuses and additional compensation if their restatements occur along with criminal liability.

It is my hope that by revealing the few bad apples at the bottom of the barrel, and punishing these individuals for their immoral behavior, we can save the rest of the industry and restore confidence in our markets.

The legislation pending before us will make it harder for companies to lie about their assets. Thats the least we can do in re-establishing public confidence in corporate America. Our common purpose today is to ensure that the Enron's, the Tyco's, and the WorldCom's never happen again.

Now is the time for us to act. It is the least we can do to shore up the investing public's confidence in our markets.

Mr. WELLSTONE. Mr. President, 2 years ago it was pretty lonely being in favor of the auditor independence reforms that then-SEC Chairman Arthur Levitt said were necessary to guard against unprecedented accounting scandals. I am proud that I was one of the few who thought Chairman Levitt was going in the right direction. Unfortunately it took the implosion of several multi-billion dollar firms, and a loss of tens of thousands of jobs and hundreds of billions of dollars in investor equity, to prove that he was right. Now America's capital markets have been shaken by a dramatic loss in investor confidence, threatening the economic recovery.

But today, Congress has acted. I rise today in strong support of the Public Company Accounting Reform and Investor Protection Act conference report. I commend the Senator from Maryland, the Chairman of the Banking Committee for putting together significant, structural reform of corporate governance and auditor independence and for defending it in conference.

And I am heartened that the President and the House leadership have finally agreed to comprehensive reform instead of mere half-measures and tough rhetoric.

This bill holds the bad actors accountable for their fraud and deception. But the legislation goes much further, as it should, because the problem goes much deeper. We are faced with more than the wrong doing of individual executives, we are faced with a crisis in confidence in American capital markets and American business.

This conference report retains the strong Senate reforms virtually intact. It bars an auditor from offering audit services and other consulting services to the same client. It says publically traded companies must change the partner in charge of the audit every five years. It strengthens oversight of accountants, by establishing an independent board to set and enforce standards. And it enhances disclosure. This alone is real reform. But the bill does more. It makes corporate executives more accountable to their shareholders. It makes investment analysts more accountable to the public. And it's bill contains strong penalties for corporate wrong-doers.

All and all, this legislation lets the sunshine back into the smoke-filled corporate board rooms so that insiders have harder time cheating the outsiders. It is structural reform that restores checks and balances that will protect against fraud, deception, and reckless carelessness.

We need to restore America's faith in corporate America. It has gone beyond individual wrong doing. The system hides and encourages corruption. Today the Congress passes strong reform. Now I call on the President to make enactment and enforcement of this new law a priority.

Mr. BOND. Mr. President, last night, the conference committee released its final report on comprehensive accounting reform and corporate governance legislation. The reaction of our financial markets confirms that this legislation is absolutely necessary to help restore integrity and confidence to our free market system and our investment community.

However, in our rush to enact broad reforms, we may be damaging the economic framework for small companies to reach our capital markets. In the long term, the reforms will make our economy stronger. In the short term, we will be creating complete chaos for small publicly traded companies and companies trying to gain the capital for growth through stock offerings.

I am extremely disappointed in the conferees' decision not to recognize this fact and provide the Securities and Exchange Commission and the proposed Public Company Accounting Oversight Board with greater flexibility in dealing with small firms. Small business has been the driving force of our economy for well over a decade. The high hurdles in the legislation are necessary for large, conglomerate companies but they may be a trip wire for our small business entrepreneurial community.

Mr. SARBANES. Mr. President, I note that the Congress, in the Enhanced Review of Periodic Disclosures section in the Sarbanes-Oxley Act, provides for regular and systematic reviews by the Securities and Exchange Commission of the periodic reports filed by public companies that are listed on a national securities exchange or on Nasdaq. The section requires that there be some review of issuers' disclosures at least once every three years. The bill identifies factors which the Commission should consider in scheduling reviews, including the issuer's capitalization, stock price volatility and restatements of earnings. We expect the Commission to exercise its discretion to determine the appropriate level and scope of review for each company's reports in the furtherance of the protection of investors and the public interest.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, may I ask what the time situation is?

The PRESIDING OFFICER. The Senator from Maryland has 15 minutes 10 seconds. The Senator from Wyoming has 21 minutes 30 seconds.

Mr. SARBANES. I yield 3 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. I thank the Chair.

Mr. President, this is an extremely important day for our capital markets, for our country, and for the future of our economy. As we all know, capitalism has its ups and downs and works in ups and downs, and there have been periods throughout our history—I can think of the S&L crisis a decade ago—where things get off track, out of control. It is our job as Government not to interfere with entrepreneurial vigor, not to create such regulation that they become a straitjacketed company, but at the time when the markets show that things have gotten off track, it is our job to help put them back on track.

There is a bottom line principle here: If investors, whether throughout the United States or the rest of the world, do not believe companies are on the level, they will not invest. Unfortunately, the revelations of the last year have given people the view that they are not on the level. That it is not the same for them in terms of even information as it is for somebody at the top, that the information they may be getting may be wrong or distorted far beyond what they normally would in the world. So this bill puts that back.

I think it is a carefully balanced bill. There are some changes in it. There are some changes not in it that I would like to have seen, but the perfect should not be the enemy of the good. It is a good bill, a fine bill. In fact, when the agreement was reached, the Dow Jones went up 400 points. I do not think it was coincidental. Whether it be CEOs of large companies or individual investors, the public is saying to us, make it right. Look at the abuses that occurred in the past and make sure they cannot occur again, and do it

in a careful way that keeps our markets fluid, liquid, deep, and important. I think this bill does it.

I want to pay a great deal of tribute to our chairman, Senator SARBANES, and to so many others who made this bill a reality. With the passage of this bill, we can tell investors, while we have not cleared up every problem, and perhaps we will come back and address this later—I think we will have to in a couple areas—we have certainly made things better.

A few weeks ago, Washington looked as if it was dithering in the face of crisis, but today we proudly act in a bipartisan way to restore faith in our markets, the deepest, strongest, and best markets in the world.

I dare say, I know there are some who are against any change or any regulation, but our markets will be stronger tomorrow than they were this morning when this bill passes the House, the Senate, and is signed by the President.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. Mr. President, we are down quite far in our time. Senator DODD, who wishes to speak, is at a memorial service. I suggest if the other side could use some of its time, it would be helpful in balancing this out. I ask unanimous consent that while we are trying to work this out the time not be charged to either party, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ENZI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. ENZI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SARBANES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. SARBANES. Mr. President, I yield 8 minutes to the distinguished Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, when we opened the conference on this legislation a week or so ago, I said my hope was the passage of this bill would be quick, decisive, and unanimous. Two out of three is not bad. We got quick and decisive and almost unanimous. Our colleague from Texas, and our friend, was unable to support the final product for reasons he has already explained.

I thought we did an excellent job in moving as quickly as we did. I believe passage of the legislation and the quick and decisive manner and nearly unanimous way we achieved the result and overwhelming support of the Senate and the House fulfill a responsibility of Congress to protect investors. There is more work to be done, but we have begun a significant part of the journey. In fact, we traveled a great distance down the road in fulfilling a congressional responsibility in responding to the events that began to unfold, at least to the public's awareness, last October. And the story is not yet complete. We do not know the final results.

I have a few minutes in which to share some thoughts. I am going to move quickly to share comments. I begin by commending my colleague from Maryland, the chairman of the Banking Committee, for the tremendous job he has done. I said yesterday, any students of the Congress of the United States who want to seek out good examples of how a legislative product can be developed, nurtured, analyzed, discussed, debated, and finally passed, this is about as good an example as I have seen in recent years of how one ought to proceed. Certainly the hearings we held in the Banking Committee I don't recall attracting much attention. I don't recall a single one of the 12 hearings we held appearing on the nightly news or being lead stories on some of the 24-hour news stations.

I recall a great many hearings where people sat there, raised their right hand, and took the fifth amendment. That got a lot of attention. The 12 hearings held in the Banking Committee of the Senate, where we went through the deliberate, slow, ponderous process of actually listening to people who had something to say about what ought to be done to clean up this mess, never made it on the nightly news that I am aware of.

I commend again my friend and colleague with whom I have enjoyed my service in the Congress of the United States for more than a quarter of a century. We have sat next to each other for a good part of that time in both the House and in this Chamber. I sit next to him on the Foreign Affairs Committee and on the Banking Committee. If I could make the choice and it would not be determined by seniority, I would make him my choice for seatmate. I have great respect for him and admire him immensely. He has proven the value of having PAUL SARBANES as a Member of this body.

I also point out the Presiding Officer, one of the most junior Members of this Chamber, who provided an incredible, invaluable support and source of ideas, guidance. Rarely does a new Member play such an important role on such an important piece of legislation. Of any Member who was involved in this process, MIKE ENZI of Wyoming and others all would agree, in any history written of the development of the bill, the role of a freshman Senator from the State of New Jersey named JON CORZINE needs to be talked about. He played a very important role. We would not be here without him. I tip my hat to him and to MIKE ENZI, the only Member of this Chamber who actually knew something at a practical level about what it was to be an accountant and what life was like in the trenches.

For the staff and others who worked on this legislation, this was not the most popular idea in the world. Had it not been for unfolding events, I am not sure we would have developed that kind of support. I will love to one day tell my daughter, who is only an infant, that it was the power of our persuasion which convinced a majority here to go along.

Not many understood the value, the substantive value, of this bill. MIKE ENZI did, a number of others did, there were many in the House who did, but an awful lot of people, even as late as a week ago, were suggesting maybe this bill was a bad idea, and that it would not go anywhere, and it shouldn't go anywhere; we ought to spend another couple of months thinking about it.

Those notices were not a month old, or 2 months old; that was 5 or 6 day ago. I understand it was the public's demand that we respond to this that had an awful lot to do with the support we garnered. That is all right. I never argue about how you get support around here as long as you get it in the end. We got it in the end, and that is the important news.

The fact is, we are about to vote overwhelmingly to support a very critical piece of legislation. I am confident, as he has already indicated, that the President will sign this bill into law. We are already seeing markets respond, not entirely because of this, but certainly in no small measure because of the events that have unfolded and the parts Congress played.

The chairman of the committee has talked about part of the bill. There are very important pieces, including the auditor independence. The board will be revolutionary in how it operates. Someone pointed out today, a lot of what the regulators do will determine the value of what we have written legislatively. I am confident that will be the case.

Having FASB now be compensated for and paid for from public money and not relying on the largess and generosity of the accounting industry to receive compensation will make a significant difference in establishing accounting rules and procedures. Certainly having prohibitions against those going from the industry, working for the clients for whom they have done audits, will have a beneficial effect on slowing down this not only appearance of conflict, but certainly the conflicts of interest that have occurred too often.

There are many other parts of the bill, including corporate penalties, that were crafted by our colleague from Vermont and other Members of the Judiciary Committee, that deserve a great deal of credit for their contribution to this process. The leadership,

Senator DASCHLE, certainly for insisting we move as rapidly as we did to get the product done in committee and get it on the floor of the Senate, understanding how important this issue would be to the shareholder interests and pensioners and to others who depend upon a solid, strong economy for their well-being—certainly their contribution is extremely important as well.

We have seen the economy begin to do a bit better. I don't think our work is done, despite the accomplishments in this legislation. My hope would be that before this Senate adjourns in a week and a half from now, we might deal with the pension issue. I don't know if that will be possible. I know there are a lot of other issues that need to be considered. My hope is if we are not able to do that in the next week and a half, we will come back soon after we reconvene in September.

I sit on the Health, Education, Labor, and Pensions Committee with the presiding officer who is interested in that committee. My hope is that we can deal with the pension reform matters that are necessary, as well, for adoption by this Congress before the 107th Congress adjourns.

Again, I commend all those involved. I thank Alex Sternhill of my office, Steve Harris, Marty Gruenberg, all the Members who worked with the chairman's committee and the full committee of the Senate Banking Committee, and those on the minority side, as well, who played an extremely important role.

While he disagreed with the final outcome of the bill, the Senator from Texas and I have had a great relationship over these many years we have served together. I have always enjoyed being on his side. He is a tough opponent, but when we worked together we have done some pretty good work around here and passed some pretty good bills.

He is leaving and I believe the Senate will be less vibrant an institution because of his absence. It is important that this place be a place of ideas for debate to occur, and the Senator from Texas has always made that kind of contribution.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DODD. Hang on. I am commending him. He is going to give me more time.

Mr. GRAMM. The Senator can have all the time he wants.

Mr. DODD. Mr. President, I have learned after more than 20 years that if you want the minority to give you a little more time, start complementing them. It is amazing. Egos are alive and well in the Senate.

I am going to miss him. He is not done. We have more work, obviously, in the remaining weeks, but this may be one of the last major bills the Banking Committee considers. I don't know what life holds for him down the road, but the good Lord is not done with him yet.

I look forward to your vibrancy, your ideas, and your passion in whatever role you decide to assume in the next part of your life, and thank you for the tremendous work you have given to the committee and this body through your service.

I thank again the chairman and other members of the committee for contributing to what may be one of the most important pieces of legislation this body will consider in the 107th Congress and one of the most important in the area of financial services in many, many decades.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. GRAMM. Mr. President, how much time do we have?

The PRESIDING OFFICER. The Senator from Texas has 14 minutes.

Mr. GRAMM. We were going to shoot for about 4:30 so I may yield some of it back, depending on who comes over.

Let me, first, thank my dear colleague, Senator DODD, for his kind comments. I have enjoyed working with him over the years. I very much appreciate the comments he made.

I want to say something about my staff. A famous philosopher once said: In no way can you get a keener insight into the true nature of a leader than by looking at the people by whom he surrounds himself.

I would always be happy to have anybody judge me by Linda Lord and by Wayne Abernathy. It is amazing how much impact staffers have on the Senate. I am blessed in this area to have two of the best staff people who have ever served any Senator in the history of this country. On most issues on which I worked with Linda Lord, she knows more about this subject than anybody, and generally more than everybody else combined. In working with her, I see that the Lord was a great discriminator; he gave some people incredible ability and most of us he gave relatively few, in the way of talents. I thank her for the great job she has done.

I thank Wayne Abernathy. In the years I was chairman of the Banking Committee, Wayne Abernathy was chairman of the Banking Committee. In the day-to-day work, he has made an incredible contribution. If there is an unfairness to it, it is that I have gotten credit for all the good work that they have done, and I am grateful for that.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. SARBANES. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. SARBANES. I yield 1 minute to the Senator from Minnesota.

Mr. WELLSTONE. I thank the Senator from Maryland. I thank him forhis great leadership and the other Senators working on this. I can only say this in 1 minute: I remember when Arthur Levitt came by several years ago to talk with me about the need for audit independence. Senator SARBANES and others have made that possible. Many people took their savings, converted it to stock, and thought it would be there for their children or grandchildren. Many people had 401(k)s they were counting on. All of this has eroded in value. Investors do not have the confidence in the economy. I think the key is to make the structural change and make sure people can count on the independent audits, that no one is cooking their books. This is the best of government oversight. I am very proud to support this legislation.

Once again, I thank the chair of the Banking Committee for exceptional leadership.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Mr. President, as Senator GRAMM was speaking earlier I was thinking to myself that he really was exemplifying on the floor of the Senate the sort of dialog we went through in the committee. As he was making an argument about auditor independence, I was thinking that is really a very reasonable argument and one to which we really paid attention. I want to give the counterargument, and then make a concluding comment about the terrific work of the staff on this bill.

Senator GRAMM has suggested that the conference report should be changed to give the SEC or the Oversight Board authority to grant broad categorical exemptions from the list of non-audit services that Section 201 of the bill prohibits registered public accounting firms to provide to public company audit clients.

Such a change, in my view, would weaken one of the fundamental objectives of the conference report: to draw a bright line around a limited list of non-audit services that accounting firms may not provide to public company audit clients because their doing so creates a fundamental conflict of interest for the accounting firms.

This limited list is based on a set of simple principles:

A public company auditor, in order to be independent, should not audit its own work (as it would if it provided internal audit outsourcing services, financial information systems design, appraisal or valuation services, actuarial services, or bookkeeping services to an audit client).

A public company auditor should not function as part of management or as an employee of the audit client (as it would if it provided human resources services such as recruiting, hiring, and designing compensation packages for the officers, directors, and managers of an audit client).

A public company auditor, to be independent, should not act as an advocate of its audit client (as it would if it provided legal and expert services to an audit client in judicial or regulatory proceedings.)

A public company auditor should not be a promoter of the company's stock or other financial interests (as it would be if it served as a broker-dealer, investment adviser, or investment banker for the company).

I want to emphasize that Section 201 does not bar accounting firms from offering consulting services. It simply requires that they not offer certain consulting services to public companies for which they wish to serve as ''independent auditor.'' An accounting firm is free to offer any services it wants to any public companies it does not audit (or to any private companies). It also may engage in any non-audit service, including tax services, that is not on the list for an audit client if the activity is approved in advance by the audit committee of the public company.

The conference report does authorize the new Oversight Board, on a case-by-case basis, to exempt any person, issuer, public accounting firm, or transaction from the prohibition on the provision of non-audit services to the extent that such exemption is necessary or appropriate in the public interest and is consistent with the protection of investors.

The exemptive authority provided the Board is intentionally narrow to apply to individual cases where the application of the statutory requirement would impose some extraordinary hardship or circumstance that would merit an exemption consistent with the protection of the public interest and the protection of investors.

But the fundamental presumption of the provision is that these non-audit services, by their very nature, present a conflict of interest for an accounting firm if provided to a public company audit client.

Arthur Andersen was conflicted because it served Enron as both an auditor and a consultant, and for two years it also served as Enron's internal auditor, essentially auditing its own work. Enron was Andersen's largest client, and in 2000 Andersen earned $27 million in consulting fees from the company ($25 million in audit fees).

In its oversight hearing earlier this year on the failure of Superior Bank in Hinsdale, Illinois, the Senate Banking Committee learned first-hand the risks associated with allowing accounting firms to audit their own work. In that case, the accounting firm audited and certified a valuation of risky residual assets calculated according to a methodology it had provided as a consultant. The valuation was excessive and led to the failure of the institution.

The SEC's recent actions against one of the large public accounting firms (KPMG) in an enforcement case illustrates the danger of allowing an accounting firm to serve as a broker dealer, investment advisor, or investment banker for a public company audit client (Porta Systems). In that case, the accounting firm set up an affiliate and the affiliate provided ''turn around'' services to the issuer, including functioning as the president of the company. There would have been no need for an SEC action if the non-audit service were simply prohibited.

The inherent conflict created by these consulting services has been exacerbated by their rapid growth in the last 15 years. According to the SEC, 55 percent of the average revenue of the big five accounting firms came from accounting and auditing services in 1988. Twenty-two percent of the average revenue came from management consulting services. By 1999, those figures had fallen to 31 percent for accounting and auditing services, and risen to 50 percent for management consulting services. Recent data reported to the SEC showed on average public accounting firms' non-audit fees comprised 73 percent of their total fees, or $2.69 in non-audit fees for every $1.00 in audit fees.

A number of the most knowledgeable and thoughtful witnesses who testified before the Senate Banking Committee in the hearings held in preparation for this legislation argued that the growth in the non-audit consulting business done by the large accounting firms for their audit clients has so compromised the independence of the audits that a complete prohibition on the provision of consulting services by accounting firms to their public audit clients is required. Perhaps the strongest advocates of this view have been the managers of large pension funds who are entrusted with people's retirement savings.

For example, the California Public Employees' Retirement System (CalPERS), manages pension and health benefits for more than 1.3 million members and has aggregate holdings totaling almost $150 billion. According to CalPERS CEO, James E. Burton:

> the inherent conflicts created when an external auditor is simultaneously receiving fees from a company for non-audit work cannot be remedied by anything less than a bright-line ban. An accounting firm should be an auditor or a consultant, but not both to the same client.

John Biggs is CEO of Teachers Insurance and Annuity Association College Retirement Equities Fund (TIAA-CREF), the largest private pension system in the world, which manages approximately $275 billion in pension assets for over 2 million participants in the education and research community. Mr. Biggs was also a member of the last Public Oversight Board. He told the Committee that:

> TIAA-CREF does not allow our public audit firm to provide any consulting services to us, and our policy even bars our auditor from providing tax services.

The conference report chose not to follow the approach of imposing a complete prohibition on the provision of non-audit services to audit clients. Instead it chose the approach of identifying the non-audit services which by their very nature pose a conflict of interest and should be prohibited. Among those supporting this approach are former Comptroller General Charles Bowsher, former SEC Chairman Arthur Levitt, and former Federal Reserve Board Chairman Paul Volcker.

The argument is made that small companies, in particular, may be burdened by this requirement and that the SEC should have broad authority to grant categorical exemptions. It is even argued that so many companies would seek case-by-case exemptions that the SEC would become overwhelmed and would be unable to process the exemptions in a timely manner.

The point is that if the provision of a non-audit service to a public company audit client creates a conflict of interest for the accounting firm that non-audit service should be prohibited, whether the public company is large or small. Investors rely on the audit in making their investment decisions, and the independence of the audit should not be compromised by the provision of the non-audit service. If a legitimate exceptional hardship is imposed, then the Oversight Board would have the authority to grant case-by-case exemptions.

The present Comptroller General, David Walker, issued a particularly strong statement in support of the approach to auditor independence taken in the bill conference report I would like to quote:

> I believe that legislation that will provide a framework and guidance for the SEC to use in setting independence standards for public company audits is needed. History has shown that the AICPA [American Institute of Certified Public Accountants] and the SEC have failed to update their independence standards in a timely fashion and that past updates have not adequately protected the public's interests. In addition, the accounting profession has placed too much emphasis on growing non-audit fees and not enough emphasis on modernizing the auditing profession for the 21st century environment. Congress is the proper body to promulgate a framework for the SEC to use in connection with independence related regulatory and enforcement actions in order to help ensure confidence in financial reporting and safeguard investors and the public's interests. The independence provision [of the bill] . . . strikes a reasoned and reasonable balance that will enable auditors to perform a range of non-audit services for their audit clients and an unlimited range of non-audit services for their non-audit clients. . . . In my opinion, the time to act on independence legislation is now.

This auditor independence provision is at the very center of this legislation. It goes to the public trust granted to public accounting firms by our securities laws which require comprehensive financial statements that must be prepared, in the words of the Securities Act of 1933, by ''an independent public or certified accountant.''

The statutory independent audit requirement has two sides, a private franchise and a public trust. It grants a franchise to the nation's public accountants—their services, and only their services—must be secured before an issuer of securities can go to market, have the securities listed on the nation's stock exchanges, or comply

with the reporting requirements of the securities laws. This is a source of significant private benefit.

But the franchise is conditional. It comes in return for the CPA's assumption of a public duty and obligation. As a unanimous Supreme Court noted nearly 20 years ago:

> In certifying the public reports that collectively depict a corporation's financial status, the independent auditor assumes a public responsibility. . . . [That auditor] owes ultimate allegiance to the corporation's creditors and stockholders, as well as to the investing public. This ''public watchdog'' function demands that the accountant maintain total independence from the client at all times and requires complete fidelity to the public trust.

We must cut the chord between the audit and the consulting services which by their very nature undermine the independence of the audit. We must break this culture that exists, and to do that we need a bright line. In my view granting broad exemption authority to the Oversight Board or the SEC to permit these non-audit services would undermine the separation the conference report is intended to establish.

I wanted to underscore the fact that there was a very reasoned, intense discussion of these issues. There is reason on both sides. I thought the Senator made a very strong statement. I wanted to give the counterstatement here.

I share Senator DODD's view about this exchange of ideas and its importance to the functioning of this institution. The Senator from Texas has certainly made an important contribution in that regard.

I wish to take a moment to recognize the terrific work of the staff. Senator GRAMM referred to Wayne Abernathy and Linda Lord, and of course Mike Thompson and Katherine McGuire of Senator ENZI's staff; Laura Ayoud of the legislative counsel who worked day and night to put this thing in legislative language; the staff of the Banking Committee led by Steve Harris, Dean Shahinian, Steve Kroll, Lynsey Graham, Vincent Meehan, Sarah Kline, Judy Keenan, Jesse Jacobs, Craig Davis, Marty Gruenberg, Gary Gensler, and, as I said, all led so ably by Steve Harris.

We had the very able staff of the Senators on the committee: Alex Sternhell, Naomi Camper, Jon Berger, Jimmy Williams, Catherine Cruz Wojtasik, Leslie Wooley, Margaret Simmons, Matt Young, Roger Hollingsworth, and Matt Pippin.

I thank again all my colleagues who participated. I think I recognized most of them in the course of the day, and I want to say just a word about Chairman OXLEY and Congressman LAFALCE on the House side, who made it possible for us to work through this conference and with whom we have worked so cooperatively on so many issues that have come before our committee.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. SARBANES. How much time is remaining?

The PRESIDING OFFICER. The Senator from Maryland is without time. There are 12 minutes for the Senator from Texas.

Mr. GRAMM. Mr. President, we have reached the hour that we set for a vote. I am ready to yield back the 12 minutes and have the vote proceed.

I reiterate that this is a bill that was fraught with danger in the environment that we were in. Literally anything could have passed. I think, by a combination of good work and some good fortune, that has not been the case. We have a vehicle before us that I think will be complicated. It will be difficult to implement.

I think we will probably change it in the future. But I think in terms of our ability to prosper under the bill, and for the economy to survive not only the illness but the prescription of the doctor in this case, I think it is doable.

I yield the remainder of our time.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. SARBANES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) is necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote ''yea.''

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—99

Akaka	Dorgan	Lugar
Allard	Durbin	McCain
Allen	Edwards	McConnell
Baucus	Ensign	Mikulski
Bayh	Enzi	Miller
Bennett	Feingold	Murkowski
Biden	Feinstein	Murray
Bingaman	Fitzgerald	Nelson (FL)
Bond	Frist	Nelson (NE)
Boxer	Graham	Nickles
Breaux	Gramm	Reed
Brownback	Grassley	Reid
Bunning	Gregg	Roberts
Burns	Hagel	Rockefeller
Byrd	Harkin	Santorum
Campbell	Hatch	Sarbanes
Cantwell	Hollings	Schumer
Carnahan	Hutchinson	Sessions
Carper	Hutchison	Shelby
Chafee	Inhofe	Smith (NH)
Cleland	Inouye	Smith (OR)
Clinton	Jeffords	Snowe
Cochran	Johnson	Specter
Collins	Kennedy	Stabenow
Conrad	Kerry	Stevens
Corzine	Kohl	Thomas
Craig	Kyl	Thompson
Crapo	Landrieu	Thurmond
Daschle	Leahy	Torricelli
Dayton	Levin	Voinovich
DeWine	Lieberman	Warner
Dodd	Lincoln	Wellstone
Domenici	Lott	Wyden

NOT VOTING—1

Helms

The conference report was agreed to.

Mr. SARBANES. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DAYTON). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. CANTWELL). Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. REID. Madam President, I ask unanimous consent that immediately after the cloture vote on the nomination of Julia Smith Gibbons, all time postcloture be considered used, and that on Monday, July 29, at 5:30 p.m., the Senate proceed to executive session to vote on the nomination of Julia Smith Gibbons, to be a U.S. circuit judge; that upon confirmation, the President be immediately notified of the Senate's action and that the Senate return to legislative session; further, that on Friday, July 26, immediately following the cloture vote on the nomination, the Senate return to legislative session and resume consideration of S. 812; that Senator GREGG or his designee be recognized to offer a second-degree amendment; that during Friday's session, there be up to 3 hours for debate with respect to the amendment, with the time equally divided and controlled between Senators KENNEDY and GREGG or their designees; and that whenever the Senate resumes consideration of S. 812, the Gregg or designee amendment remain debatable.

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

Mr. REID. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

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

UNANIMOUS CONSENT AGREEMENT— EXECUTIVE CALENDAR

Mr. REID. Madam President, we have spent considerable time this evening in a quorum call, but in spite of that, we have had a very productive legislative day. We have passed the conference report on corporate governance; the Appropriations Committee this afternoon reported the final four bills out of the

Appropriations Committee; and we are finished with those and will bring them to the floor. We have gotten permission to go to the conference committee on terrorism, which we have been trying to do for weeks. There was significant progress made today with passage of the bankruptcy conference report, and there were other things.

But finally, what I want to say, we will shortly approve in a matter of a few minutes, four members to the Securities and Exchange Commission. That goes hand and glove with the work we have done on corporate governance. We are going to approve Cynthia Glassman to be a member, Harvey Jerome Goldschmid to be a member, Roel C. Campos to be a member of the Securities and Exchange Commission, and Paul S. Atkins will also be approved. We have had a very successful day.

For those watching, whether it is staff or people around the country, sometimes during the downtimes a lot of progress is made. Even as we speak, there is work being done to see if we can come up with a bipartisan amendment to handle the prescription drug problems that senior citizens have in America today. All in all, it was a good day for the country.

I ask unanimous consent that immediately following the cloture vote tomorrow, Friday, the Senate proceed to executive session to consider Executive Calendar No. 826, Christopher C. Conner to be United States district judge; that the Senate vote immediately on confirmation of the nomination, the motion to reconsider be laid upon the table, and any statements be printed at the appropriate place; that the President be immediately notified of the Senate's action, the Senate return to legislative session, and that the proceeding all occur without any intervening action or debate.

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

MORNING BUSINESS

Mr. REED. I ask unanimous consent that we now proceed to a period of morning business with Senators allowed to speak for not to exceed 5 minutes each.

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

MEDICARE PRESCRIPTION DRUG COVERAGE

Mr. SARBANES. Madam President, I rise to express my disappointment about the outcome of the Senate's recent vote on Medicare prescription drug coverage. The Senate missed an opportunity to provide one of the most important expansions of Medicare benefits since the system was created in 1965. Senator GRAHAM's proposal, of which I was proud to be an original cosponsor with a number of my Democratic colleagues, would have provided comprehensive, voluntary, and affordable prescription drug coverage for all Medicare beneficiaries. Though the majority of the Senate supported this proposal, it lacked the votes necessary to proceed.

We know that more than 1 in 3 Medicare beneficiaries lack prescription drug coverage. We know, too, many seniors struggle to pay for the medicine they need to keep them healthy and treat their diseases and illnesses. We know that doctors are now put in the unthinkable position of considering a patient's financial situation when developing a course of treatment. Doctors are conflicted by this, but know that it does not benefit the patient to prescribe a drug, even though it may be the best method of treating or curing an illness, if the patient cannot afford the medicine.

More importantly, I, like most of my colleagues, continually hear from constituents who face this dilemma directly. They are ill, they are frustrated, and too many times, they are embarrassed to have made it this far in life and have to ask for help after years of independence. I have heard from those who may not have a direct need, but who are desperately seeking assistance for a loved one who needs help. They are frustrated to learn that there is nowhere for them to turn because Medicare provides nothing for outpatient drugs, yet they have too much income or too many assets to qualify for state offered assistance.

The Graham proposal would provide drug coverage for all Medicare beneficiaries for a $25 monthly premium, no deductible, a $10 copayment for generic drugs, and a $40 copayment for preferred brand name drugs. In addition, Medicare beneficiaries would have all of their prescription costs covered after they spend $4,000 in out-of-pocket costs. Assistance would begin with the very first prescription, and there would be no gaps or limits on the coverage provided. Under Senator GRAHAM's proposal, low-income seniors would not be required to pay premiums or copayments for their coverage.

Regrettably, some of my colleagues did not support the Graham amendment. They voted instead for an alternative that required seniors to pay a $250 deductible, while only covering 50 percent of their prescription costs up to $3450. After a Medicare beneficiary's costs exceed $3450, he or she would receive no assistance whatsoever until his or her costs reach $3700. Above $3700, the government would then only pay 90 percent of drug costs. Under this proposal, those who are the sickest, with the highest drug costs, would be forced to pay more when they require assistance the most.

Many of those who opposed the Graham proposal complained about the cost of this proposal. I find it perplexing that we can find money for other things, but not for the mothers, fathers, grandparents and other Americans that need our help in their older years. Opponents of the Graham bill found money to fund a large tax cut costing $1.35 trillion last year a tax cut that primarily benefit the very wealthiest Americans. Many of my fears about the decision to pass such a large and unreasonable tax cut have been realized raids on Social Security and Medicare, a return to budget deficits, instability in the financial markets. It has forced us unnecessarily to limit resources for those things that should be national priorities. I remain astonished that some believe tax cuts should be a priority over providing prescription drug coverage to everyday Americans who have worked hard and paid their taxes all their lives.

Yesterday, we had the chance to mark the 107th Congress with the greatest overhaul of Medicare benefits since its inception 37 years ago. I supported the Graham prescription drug plan along with 51 of my colleagues because I believe it is the only proposal that would provide Medicare beneficiaries with real comprehensive prescription drug coverage. I only hope that we can find a way to enact a meaningful Medicare prescription drug benefit this year. Our older Americans deserve no less.

IMMUNOSUPPRESSIVE DRUG COVERAGE AMENDMENT

Mr. DEWINE. Madam President, I wish to speak to an amendment of mine and my friend and colleague, Senator DURBIN, to help organ transplant patients maintain access to the life-saving drugs necessary to prevent their immune systems from rejecting their new organs.

Every year, nearly 6,000 people die waiting for an organ transplant. Currently, over 67,000 Americans are waiting for a donor organ. Those individuals who are blessed to receive an organ transplant must take immunosuppressive drugs every day for the life of their transplant. Failure to take these drugs significantly increases the risk of the transplanted organ being rejected.

We need this amendment, because Federal law is compromising the success of organ transplants. Let me explain. Right now, current Medicare policy denies certain transplant patients coverage for the drugs needed to prevent rejection.

Medicare does not pay for anti-rejection drugs for Medicare beneficiaries, who received their transplants prior to becoming a Medicare beneficiary. So, for instance, if a person received a transplant at age 64 through his or her health insurance plan, when that person retires and relies on Medicare for health care coverage, he or she would no longer have immunosuppressive drug coverage.

Medicare only pays for anti-rejection drugs for transplants performed in a Medicare-approved transplant facility. However, many beneficiaries are completely unaware of this fact and how it can jeopardize their future coverage of

immunosuppressive drugs. To receive an organ transplant, a person must be very ill and many are far too ill at the time of transplantation to be researching the complexities of Medicare coverage policy.

End Stage Renal Disease, ESRD, patients qualify for Medicare on the basis of needing dialysis. If End Stage Renal Disease patients receive a kidney transplant, they qualify for Medicare coverage for three years after the transplant. After the three years are up, they lose not only their general Medicare coverage, but also their coverage for immunosuppressive drugs.

The amendment that Senator Durbin and I are introducing today would remove the Medicare limitations and make clear that all Medicare beneficiaries including End Stage Renal Disease patients who have had a transplant and need immunosuppressive drugs to prevent rejection of their transplant, will be covered as long as such anti-rejection drugs are needed.

In the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act, Congress eliminated the 36-month time limitation for transplant recipients who: 1. received a Medicare eligible transplant and 2. who are eligible for Medicare based on age or disability. Our amendment would provide the same indefinite coverage to kidney transplant recipients who are not Medicare aged or Medicare disabled.

I urge my colleagues to support this amendment and help those who receive Medicare-eligible transplants gain access to the immunosuppressive drugs they need to live healthy productive lives.

U.S. POLICY ON IRAQ

Mr. FEINGOLD. Madam President, I am pleased to cosponsor S.J. Res 41. As the resolution makes clear, the time is ripe for an open debate on our plans for Iraq.

Some are concerned that an open debate on our policy toward Iraq could expose sensitive intelligence information or that such a debate would tip our hand too much. Others fear that a meaningful debate could back the administration into a corner, and in so doing encourage the administration to adopt a tougher military response.

Ultimately, all of these arguments against an open and honest debate on Iraq could be made with respect to nearly any military decision, and if taken to their extreme, these arguments would challenge the balance of powers in the Constitution by excluding Congress from future war-making decisions. Moreover, to answer some of these concerns more directly, I would also note that the almost daily leaks from the administration on our Iraq policy have tipped our hand even more than responsible congressional hearings and debate would. It is hardly a secret that the United States is considering a range of policy options, including military operations, when it comes to Iraq. And the argument that an open discussion of military action could, in effect, become self-fulfilling is too circular to be credible.

I am concerned with the dangers posed by Saddam Hussein, as well as with the humanitarian situation in Iraq. But I am also very concerned about the constitutional issues at stake here. This may well be one of our last opportunities to preserve the constitutionally mandated role of Congress in making decisions about war and peace.

On April 17, 2002, I chaired a hearing before the Constitution Subcommittee on the application of the War Powers Resolution to our current antiterrorism operations. The focus of that hearing was to explore the limits of the use of force authorization that Congress passed in response to the attacks of September 11. At the hearing, leading constitutional scholars concluded that the use of force resolution for September 11 would not authorize a future military strike against Iraq, unless some additional evidence linking Saddam Hussein directly to the attacks of Sept. 11 came to light. Many of the experts also questioned the dubious assertion that congressional authorization from more than 10 years ago for Desert Storm could somehow lend ongoing authority for a new strike on Iraq.

On June 10, I delivered a speech on the floor of the Senate in which I outlined my findings from the April hearing. As I said then, I have concluded that the Constitution requires the President to seek additional authorization before he can embark on a major new military undertaking in Iraq. I am pleased that S.J. Resolution 41 makes that point in forceful legislative terms.

So this is indeed an appropriate time to consider our policy toward Iraq in more detail. I look forward to hearings that Senator BIDEN will chair before the Foreign Relations Committee. I also look forward to additional debate and discussion on the floor of the Senate, and, when appropriate, in secure settings, where the administration can make its case for a given policy response, and the Congress can ask questions, probe assumptions, and generally exercise the oversight that the American people expect of us.

Through these hearings and debates, it will be important to assess the level of the threat that exists, along with the relative dangers that would be posed by a massive assault on Iraq—dangers that include risks to American soldiers and to our relations with some of our strongest allies in our current anti-terror campaign. And it will be crucially important to think through the aftermath of any military strike.

We don't have to divulge secret information to begin to weigh the risks and opportunities that confront us. But the American people must understand the general nature of the threats, and they must ultimately support any risks that we decide to take to secure a more peaceful future. I don't think the American public has an adequate sense yet of the threats, dangers or options that exist in Iraq. I don't think Congress has an adequate grasp of the issues either. And that is why additional hearings and debates are so necessary.

Finally, I have always said that another military campaign against Iraq may eventually become unavoidable. As a result, I am pleased that S.J. Res 41 is neutral on the need for a military response, while recognizing the intrinsic value of open and honest debate. Following a vigorous debate, if we decide that America's interests require a direct military response to confront Iraqi aggression, such a response would be taken from a constitutionally unified, and inherently stronger, political position. We must also remember that constitutional unity on this question presents a stronger international image of the United States to our friends and foes, and, at the same time, a more comforting image of U.S. power to many of our close allies in the campaign against terrorism.

I am pleased to cosponsor S.J. Res. 41, and I look forward to a vigorous debate on this issue.

PATIENT SAFETY AND QUALITY IMPROVEMENT ACT

Mr. FRIST. Madam President, I rise today to discuss a very critical bill—S. 2590, the ''Patient Safety and Quality Improvement Act.'' This bill, which Senators JEFFORDS, BREAUX, GREGG, and I introduced in May, represents our next step in reducing the number of patients harmed each year by medical errors. Although a variety of patient safety initiatives are underway in the private sector as well as within the Department of Health and Human Services, Congress has an important role to play in reinforcing and assisting these efforts.

Today, the House Ways and Means Committee is expected to report a bipartisan bill—a bill that is almost identical to its Senate counterpart—that will help improve the safety of our health care system. Additionally, President Bush has highlighted the importance of this issue by formally supporting this crucial legislation. Moreover, this bill is supported by over thirty different health care organizations. Mr. President, I will ask that a list of those supporting organizations be included in the RECORD.

As a physician and a scientist, I know the enormous complexities of medicine today and the intricate system in which providers deliver care. I also recognize the need to examine medical errors closely in order to determine where the system has filed the patient. One method used in hospitals is the Mortality and Morbidity Conferences, in which individuals can

openly discuss patients' cases and examine problems in detail. Unfortunately, because those conferences represent a single, internal hospital event, we cannot obtain valuable, systematic information about problems or information that could be shared to allow providers to learn from each other's mishaps. Therefore, there is a need to create a broader, more inclusive learning system that encompasses all components of the health care system.

One impediment to that learning system is an inability to more closely examine patient safety events without the threat of increased litigation. The Institute of Medicine's report, To Err is Human, as well as experts who testified for the past few years in a series of Senate and House hearings, strongly recommended that Congress provide legal protections for information gathered to improve health care quality and increase patient safety. Without these protections, patient safety improvements will continue to be hampered by fears of retribution and recrimination. If we are to change the health care culture from ''name, shame, and blame'' to a culture of safety and continuous quality improvement, we must provide these basic protections.

However, we must be careful not to provide legal immunity for information that would normally be available for litigation, such as medical records. Rather, we should protect information that would be gleaned from providers' investigations of patient safety events. This information is not currently being reported in a way that would allow us to learn from our errors and improve the safety and quality of care for our patients.

Additionally, we must ensure that, in extreme circumstances, such as a criminal or disciplinary proceeding, the patient safety data is not used as a shield. In those circumstances, it is imperative that the information be shared, as disclosing that information is material to the proceeding, within the public interest, and not available for any other source. In this manner, we provide a balancing test—weighing the public good in sharing the information and providing the appropriate legal protections so that the system can be improved with the people good in weeding out the ''bad apples.''

In crafting this legislation with Senators JEFFORDS, BREAUX, and GREGG, we were careful to concentrate on the learning system and provide appropriate legal protections for that system. We view this as an essential first step in the ongoing, dynamic process of improving patient safety.

I also want to reassure my colleagues that this approach to improving medical care—providing limited confidentiality protections to ensure that we learn from the system—is not new to health care. Currently, there are at least five health care examples which use Federal confidentiality and peer review protections—the Centers for Disease Control and Prevention's National Nosocomial Infections Surveillance System, NNIS, the Food and Drug Administration's MedWatch, Veterans Health Administration, VHA, and the Centers for Medicare & Medicaid Services Quality Improvement Organizations, QIOs. Each of these confidentiality and peer review protections have improved the delivery of health care.

NNIS is a voluntary, hospital-based reporting system established to monitor hospital-acquired infections and guide the prevention efforts through description of the epidemiology of nosocomial infections, antimicrobial resistance trends, and nosocomial infection rates to use for comparison purposes. Since its inception in 1970, there has been a 34 percent reduction in the number of nosocomial infections. This dramatic decrease can be attributed, in part, to the availability of data for analysis and identification of system errors that were contributing to high rates. By law, CDC assures participating hospitals that any information that would permit identification of any individual or institution will be held in strict confidence. This allows hospitals to report accurately without fear of negative repercussions.

MedWatch is a voluntary Medical Products Reporting Program for quickly identifying unsafe medical products on the market. Through MedWatch, the Food and Drug Administration officials work to improve the safety of drugs, biologics, medical devices, dietary supplements, medical foods, infant formulas, and other regulated products by encouraging health professionals to report serious adverse events and product defects. Once an adverse event or product problem is identified, FDA can take any of the following actions: labeling changes, boxed warnings, product recalls and withdrawals, and medical and safety alerts. The aggregation of information through MedWatch has lead to drug recalls, such as Felbatol and Omniflox, and to label changes on approximately 30 percent of the New Molecular Entities each year.

To address the need for a non-punitive confidential reporting system, the VHA developed and continues to implement an innovative systems approach to prevent harm to patients within Veterans Administration's 163 medical centers. VHA has already implemented nationwide internal and external reporting systems that supplement the current accountability systems. Thus far, efforts have led to the implementation of physician ordering systems and safety bulletins, such as the proper handling of MRI equipment.

QIOs monitor and improve the quality of care delivered to Medicare beneficiaries. All information collected by QIOs for quality improvement work is non-discoverable. QIOs work directly and cooperatively with hospitals and medical professionals across the country to implement quality improvement projects that address the root causes of medical errors. QIOs use data to track progress towards eliminating errors and improving treatment processes. For example, the latest available national data, 1996–1998, show QIO projects resulted in 34 percent more patients getting medications to prevent a second heart attack; 23 percent more stroke patients receiving drugs that prevent subsequent strokes; 12 percent more heart failure patients getting treatment needed to extend their active lives; and 20 percent more patients hospitalized with pneumonia receiving rapid antibiotic therapy.

I appreciate the efforts made by Senators JEFFORDS, BREAUX, and GREGG thus far and look forward to working with them and others to pass this bipartisan legislation. I also value the leadership of the Bush Administration and my House colleagues on this critical issue. I hope that the Senate can also consider this important issue and come to a resolution in the near future.

I ask unanimous consent that the list of supporting organizations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING THE ''PATIENT SAFETY AND QUALITY IMPROVEMENT ACT'' JUNE 6, 2002

Alliance of Community Health Plans, Alliance of Medical Societies, American Academy of Dermatology Association, American Academy of Family Physicians, American Academy of Neurology, American Academy of Pediatrics, American Association of Health Plans, Association of American Medical Colleges, American Association of Neurological Surgeons, American Association of Orthopaedic Surgeons, American Association of Thoracic Surgery, American College of Cardiology, American College of Emergency Physicians, American College of Osteopathic Family Physicians, American College of Osteopathic Surgeons, American College of Physicians-American Society of Internal Medicine.

American College of Radiology, American Gastroenterological Association, American Geriatrics Society, American Hospital Association, American Medical Association, American Medical Group Association, American Osteopathic Association, American Pharmaceutical Association, American Psychiatric Association, American Society for Clinical Pathology, American Society for Quality, American Society of Anesthesiologists, American Society of Cataract and Refractive Surgery, Congress of Neurological Surgeons, eHealth Initiative, Federation of American Hospitals.

General Motors, Healthcare Leadership Council, Institute for Safe Medication Practices, Joint Commission on the Accreditation of Healthcare Organizations, Joseph H. Kanter Family Foundation, Marshfield Clinic, Medical Group Management Association, National Association of Manufacturers, Premier, Society of Critical Care Medicine, Society of Thoracic Surgeons, Tennessee Hospital Association, U.S. Chamber of Commerce, U.S. Pharmacopeia, Vanderbilt University Medical Center, VHA Inc.

WE SHALL NOT FORGET: KOREA 1950–1953

Mr. ROCKEFELLER. Madam President, I rise on this day to commemorate the end of the Korean War, an often overlooked, yet very important event in history. ''Forgotten'' is a term used too often about the Korean War; for veterans and their families, the war is very real, and something they can never forget.

Officially, the war was the first military effort of the United Nations, but American involvement was dominant throughout the conflict. Thousands of Americans were shipped off to that distant land, joining with other soldiers from other allied nations, to help defend the rights of strangers against a hostile and merciless invasion. Unfortunately, many who fought bravely to aid the Koreans lost their lives while waging the war.

Today, I want to pay homage to all who served in this war. The troops from the United States and the 20 other United Nations countries who provided aid to the South Koreans deserve our great acclaim every day, but even more so on this special anniversary. These great countries united to preserve the rights of South Korea, a small democracy threatened by the overwhelming power of the Communist government. South Korea did not have sufficient military resources to protect its interests. Fortunately, the United Nations member countries were unwilling to sit back and watch North Korea, with the aid of China and the Soviet Union, drive democracy from the continent of Asia.

On June 25, 1950, troops from Communist-ruled North Korea invaded South Korea, meeting little resistance to their attack. A few days later, on the morning of July 5th—still Independence Day in the United States, Private Kenny Shadrick of Skin Fork, WV, became the war's first American casualty. Kenny was the first, but many more West Virginians were destined to die in the conflict , in fact, more West Virginians were killed in combat during the three years of the Korean War than during the 10 years that we fought in Vietnam.

At the end of the Korean War, a U.S. casualty report confirmed 36,940 battle deaths. An additional 103,284 servicemembers were wounded in battle. More than 8,000 Americans are still missing in action and unaccounted. How can we possibly call one of the bloodiest wars in history a ''forgotten war?'' Are those who served in Korea ''forgotten soldiers?''

Make no mistake, those who fought in Korea will never be forgotten. They serve as examples of true Americans, and the debt we owe to our Korean War veterans, like the veterans of all other wars, is immeasurable. Unfortunately, these soldiers, like the Vietnam veterans who followed, received no parade when they returned home. They quietly went back to the lives they left and blended into their communities, unsung heroes of a faraway war.

Six years ago, we dedicated the Korean War Memorial. This stirring tribute to the veterans of this war poignantly bears out the hardships of the conflict.

The Memorial depicts, with stainless steel statues, a squad of 19 soldiers on patrol. The ground on which they advance is reminiscent of the rugged Korean terrain that they encountered, and their wind-blown ponchos depict the treacherous weather that ensued throughout the war. Our soldiers landed in South Korea poorly equipped to face the icy temperatures of 30 degrees below zero, their weaponry outdated and inadequate. As a result of the extreme cold, many veterans still suffer today from cold-related injuries, including frostbite, cold sensitization, numbness, tingling and burning, circulatory problems, skin cancer, fungal infections, and arthritis. Furthermore, the psychological tolls of war have caused great hardship for many veterans.

As a background to the soldiers' statues at the Memorial, the images of 2,400 unnamed men and women stand etched into a granite wall, symbolizing the determination of the United States workforce and the millions of family members and friends who supported the efforts of those at war. Looking at the steadfast, resolute faces of these individuals invokes in the viewer a deep admiration and appreciation for their importance to the war effort.

Author James Brady, a veteran of the Korean War, spoke for all those who served in the war when he wrote, ''We were all proudly putting our lives on the line for our country. But I would later come to realize that the Korean War was like the middle child in a family, falling between World War II and Vietnam. It became an overlooked war.'' Mr. BRADY conveys the sentiments of many of the veterans who served in this war and underscores our need to give these veterans the recognition they are long overdue.

Today, I salute the courage of those who answered the call to defend a country they never knew and a people they never met. Through their selfless determination and valor in the battle, these men and women sent an important message to future generations. I thank our Korean War veterans; their bravery reminds us of the value we put on freedom, while their sacrifices remind us that, as it says at the Korean War Memorial, ''Freedom is not free.'' We shall never forget.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred on October 14, 2000 in Billings, MT. Chris Lehman, 23, shot Roderick Pierson, 44, with a BB gun. Mr. Lehman later admitted to shooting Pierson because he was black. Mr. Pierson was shot while walking with his 6 year-old daughter.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

BURMESE MILITARY RAPES

Mr. MCCONNELL. Madam President, the military junta in Burma must be judged not by what it says, but rather by what it does.

The recent editorial in the Washington Post on the rape of ethnic minority women and girls by Burmese military officials is heartbreaking and horrific. It is by no means a stretch to characterize the junta's mismanagement and oppression of the people of Burma as a ''reign of terror.''

I join my colleagues in both the Senate and House who have called for justice for these heinous crimes, and for continued pressure on the illegitimate regime in Burma to relinquish power to the sole legitimate representative of the people of Burma, the National League for Democracy. As the editorial rightly states ''Burma's leaders cannot bring the criminals to justice because they are the criminals.''

I ask unanimous consent that a copy of the editorial ''The Rape of Burma'' be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 23, 2002]

THE RAPE OF BURMA

RECENT EVENTS have led some people to predict that one of the world's most repressive regimes may be growing a bit less so. The generals who rule, or misrule, the Southeast Asian nation of Burma, which they call Myanmar, released from house arrest the woman who should in fact be the nation's prime minister, Aung San Suu Kyi. They have allowed her to travel a bit, and they have released from unspeakable prisons a few of her supporters. Grounds for hope, you might think.

Then came release of a report, documented in horrifying detail, of how Burma's army uses rape as a weapon of war. The rapes take place as part of the junta's perpetual—and, outside Burma, little-noticed—war against ethnic nationalities, in this case in Shan state. The Shan Human Rights Foundation and Shan Women's Action Network documented 173 incidents involving 625 girls and women, some as young as five years old, taking place mostly between 1996 and 2001. Most of the rapes were perpetrated by officers, in front of their men, and with utmost brutality; one-quarter of the victims died.

What is telling is the response of the regime to the report. Rather than seeking to

bring the criminals to justice, it has unleashed vitriol against the human rights organizations, accusing them of drug-running and the like. This is the junta's usual pattern, whenever it is found to be scraping the bottom of the morality barrel: child labor, forced labor, torture. It denies all and attacks the truth-tellers. Yet, over the years the evidence of barbarity has been so inescapable that even the junta's would-be friends have found it impossible to overlook it. Burma's leaders cannot bring the criminals to justice because they are the criminals.

Later this month Secretary of State Colin Powell will travel to the region for meetings with senior officials. Earlier this month he instructed his diplomats to express outrage over the reported use of rape as a tactic of war; he should personally express the same outrage. He also should make clear that Aung San Suu Kyi—whose democratic party won an overwhelming victory in 1990 elections that the junta nullified—should be permitted more room to maneuver: permission to publish a newspaper, for starters. The Burmese regime should not receive rewards for cosmetic liberalization.

ADDITIONAL STATEMENTS

TRIBUTE TO MRS. MARIAN C. O'DONNELL

• Mr. SESSIONS. Madam President, I rise today to pay tribute to Mrs. Marian C. O'Donnell, an outstanding Civil Servant who will retire from the Federal Government on August 3, 2002 after distinguishing herself with over 31 years of dedicated service. During her career, Mrs. O'Donnell has served in a succession of key positions where she has established a pattern of clearly exceptional performance and service leading to outstanding results in all her duties for the Department of the Army and the Department of Defense.

Mrs. O'Donnell served in a succession of administrative and secretarial positions of ever increasing responsibility in Germany and the United States culminating in her current assignment for the past 15 years as the personal assistant to the Army's Chief of Legislative Liaison. Marian O'Donnell's efforts and accomplishments are examples of extraordinary dedication and professionalism. Throughout her career, she was honored repeatedly by her superiors because of her efficiency, meticulous attention to detail, and ability to handle a multitude of tasks simultaneously. Marion's understated charm resulted in numerous outstanding performance ratings, quality step increases, and two Commander's Award for Civilian Service which so many of her peers have tried to emulate.

While serving as the personal assistant to the Chief, Legislative Liaison Marian O'Donnell played a key role in the Army's congressional liaison efforts. She is the conduit though which Members of Congress, their staffs, senior Army and Defense officials dealt with the Army's leadership. A competent and unflappable professional, Marion has always placed the Army and our Nation first. Throughout her service, Marian O'Donnell was regarded as the thread resulting in smooth and flawless changes to the Army's congressional liaison leadership.

Despite the demands of her career Marian still found time to do volunteer work with her Church and serve as counselor with its Pregnancy Crisis Center. She is truly a civil servant of the first order and an outstanding citizen. On behalf of the Congress of the United States and the people of this great Nation, I offer my heartfelt thanks for her years of service and best wishes for a well-deserved retirement.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the PRESIDING OFFICER laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:33 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 4775. An act making supplemental appropriations for further recovery from and response to terrorist attacks on the United States for the fiscal year ending September 30, 2002, and for other purposes.

At 1:51 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3763) to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, and for other purposes.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5120. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes.

H.R. 4628. An act to authorize appropriations for fiscal year 2003 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

H.R. 4965. An act to prohibit the procedure commonly known as partial-birth abortion.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 188. Concurrent resolution expressing the sense of Congress that the Government of the People's Republic of China should cease its persecution of Falun Gong practitioners.

At 4:02 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4946. An act to amend the Internal Revenue Code of 1986 to provide health care incentives.

The message also announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 448. A concurrent resolution providing for a special meeting of the Congress in New York, New York, on Friday, September 6, 2002, in remembrance of the victims and the heroes of September 11, 2001, in recognition of the courage and spirit of the City of New York, and for other purposes.

H. Con. Res. 449. A concurrent resolution providing for representation by Congress at a special meeting in New York, New York, on Friday, September 6, 2002.

At 5:06 p.m. a message from the House of Representatives, delivered by Mr. Hayes, one of its reading clerks, announced that the House insists upon its amendment to the amendment of the Senate to the bill (H.R. 4546) to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense for military construction and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes, and ask a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House;

From the Committee on Armed Services, for consideration of the House amendment and the Senate amendment, and modifications committed to conference: Mr. STUMP, Mr. HUNTER, Mr. HANSEN, Mr. WELDON of Pennsylvania, Mr. HEFLEY, Mr. SAXTON, Mr. MCHUGH, Mr. EVERETT, Mr. BARTLETT of Maryland, Mr. MCKEON, Mr. WATTS of Oklahoma, Mr. THORNBERRY, Mr. HOSTETTLER, Mr. CHAMBLISS, Mr. JONES of North Carolina, Mr. HILLEARY, Mr. GRAHAM, Mr. SKELTON, Mr. SPRATT, Mr. ORTIZ, Mr. EVANS, Mr. TAYLOR of Mississippi, Mr. ABERCROMBIE, Mr. MEEHAN, Mr. UNDERWOOD, Mr. ALLEN, Mr. SNYDER, Mr. REYES, Mr. TURNER, and Mrs. TAUSCHER.

From the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 11 of rule X: Mr. GOSS, Mr. BEREUTER, and Ms. PELOSI.

From the Committee on Education and the Workforce, for consideration of sections 341–343, and 366 of the House amendment, and sections 331–333, 542,

656, 1064, and 1107 of the Senate amendment, and modifications committed to conference: Mr. ISAKSON, Mr. WILSON of South Carolina, and Mr. GEORGE MILLER of California.

From the Committee on Energy and Commerce, for consideration of sections 601 and 3201 of the House amendment, and sections 311, 312, 601, 3135, 3171–3173, and 3201 of the House amendment, and modifications committed to conference; Mr. TAUZIN, Mr. BARTON, and Mr. DINGELL.

From the Committee on Government Reform, for consideration of sections 323, 804, 805, 1003, 1004, 1101–1106, 2811 and 2813 of the House amendment, and sections 241, 654, 817, 907, 1007–1009, 1061, 1101–1106, 2811, and 3173 of the Senate amendment, and modifications committed to conference: Mr. BURTON, Mr. WELDON of Florida, and Mr. WAXMAN.

From the Committee on International Relations, for consideration of sections 1201, 1202, 1204, title XIII, and section 3142 of the House amendment, and subtitle A of title XII, sections 1212–1216, 3136, 3151, and 3156–3161 of the Senate amendment, and modifications committed to conference; Mr. HYDE, Mr. GILMAN, and Mr. LANTOS.

From the Committee on the Judiciary, for consideration of sections 811 and 1033 of the House amendment, and sections 1067 and 1070 of the Senate amendment, and modifications committed to conference: Mr. SENSENBRENNER, Mr. SMITH of Texas, and Mr. CONYERS.

From the Committee on Resources, for consideration of sections 311, 312, 601, title XIV, sections 2821, 2832, and 2863 of the House amendment, and sections 601, 2821, 2823, 2828, and 2841 of the Senate amendment, and modifications committed to conference: Mr. DUNCAN, Mr. GIBBONS, and Mr. RAHALL.

From the Committee on Science, for consideration of sections 244, 246, 1216, 3155, and 3163 of the Senate amendment, and modifications committted to conference: Mr. BOEHLERT, Mr. SMITH of Michigan, and Mr. HALL of Texas.

From the Committee on Science, for consideration of sections 244, 246, 1216, 3155, and 3163 of the Senate amendment and modifications committed to conference: Mr. BOEHLERT, Mr. SMITH of Michigan, and Mr. HALL of Texas.

From the Committee on Transportation and Infrastructure, for consideration of section 601 of the House amendment, and section 601 and 1063 of the Senate amendment, and modifications committed to conference; Mr. YOUNG of Alaska, Mr. LOBIONDO, and Ms. BROWN of Florida.

From the Committee on Veterans' Affairs, for the consideration of sections 641, 651, 721, 727, 724, 726, 728 of the House amendment, and sections 541 and 641 of the Senate amendment and modifications committed to conference: Mr. SMITH of New Jersey, Mr. BILIRAKIS, Mr. JEFF of Florida, Mr. FILNER, and MS. CARSON of Indiana.

MEASURES REFERRED—JULY 24, 2002

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3609. An act to amend title 49, United States Code, to enhance the security and safety of pipelines; to the Committee on Commerce, Science, and Transportation.

H.R. 4547. An act to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense and to prescribe military personnel strengths for fiscal year 2003; to the Committee on Armed Services.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 4628. An act to authorize appropriations for fiscal year 2003 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence.

H.R. 4946. An act to amend the Internal Revenue Code to provide health care incentives related to long-term care; to the Committee on Finance.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 188. Concurrent resolution expressing the sense of Congress that the government of the People's Republic of China should cease its persecution of Falun Gong practitioners; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 5120. An act making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 2003, and for other purposes.

MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 4965. An act to prohibit the procedure commonly known as partial-birth abortion.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BAUCUS, from the Committee on Finance, with an amendment in the nature of a substitute:

H.R. 4737: A bill to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, and for other purposes. (Rept. No. 107–221).

By Ms. MIKULSKI, from the Committee on Appropriations, without amendment:

S. 2797: An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2003, and for other purposes. (Rept. No. 107–222).

By Mr. KOHL, from the Committee on Appropriations, without amendment:

S. 2801: An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003, and for other purposes. (Rept. No. 107–223).

By Mr. BIDEN, from the Committee on Foreign Relations, with an amendment and with an amended preamble:

S. Res. 300: A resolution encouraging the peace process in Sri Lanka.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SARBANES for the Committee on Banking, Housing, and Urban Affairs:

*Paul S. Atkins, of Virginia, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 2003.

*Cynthia A. Glassman, of Virginia, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2006.

*Harvey Jerome Goldschmid, of New York, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 2004.

*Roel C. Campos, of Texas, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2005.

By Mr. JEFFORDS for the Committee on Environment and Public Works:

*John Peter Suarez, of New Jersey, to be an Assistant Administrator of the Environmental Protection Agency.

*Carolyn W. Merritt, of Illinois, to be chairperson of the Chemical Safety and Hazard Investigation Board for a term of five years.

*Carolyn W. Merritt, of Illinois, to be a Member of the Chemical Safety and Hazard Investigation Board for a term of five years.

*John S. Bresland, of New Jersey, to be a Member of the Chemical Safety and Hazard Investigation Board for a term of five years.

By Mr. BIDEN for the Committee on Foreign Relations.

*James Franklin Jeffrey, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Albania.

Nominee: James Franklin Jeffrey.

Post: Albania.

The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.

Contributions, amount, date, donee:

1. Self, none.
2. Spouse, Gudrun Jeffrey, none.
3. Children and Spouses:
Jahn Jeffrey, none.
Julia Jeffrey, none.
4. Parents:
Herbert F. Jeffrey, (deceased 1973).
Helen Grace Jeffrey, (deceased 1974).
5. Grandparents:
Herbert Jeffrey, (deceased 1969).
Joseph O'Neill, (deceased 1960).
Helen Jeffrey, (deceased 1961).
Margaret O'Neill, (deceased 1977).
6. Brothers and spouses:
Names:
Edward Jeffrey, none.

Linda Jeffrey, none.
7. Sisters and Spouses: Not applicable.

---

*James Irvin Gadsden, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Iceland.
Nominee: James Irvin Gadsden.
Post: Iceland.
The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.
Contributions, amount, date, donee:
1. Self: James Irvin Gadsden, none.
2. Spouse: Sally Freeman Gadsden, none.
3. Children and spouses:
James Jeremy Gadsden, none.
Jonathan Joel Gadsden, none.
4. Parents:
James David Gadsden (deceased).
Hazel Gaines Gadsden (deceased).
5. Grandparents:
Elizabeth Gaines (deceased).
Charlotte Morgan (deceased).
6. Brothers and spouses:
Glenn and Valerie Gadsden, none.
Allen Carl Gadsden, none.
David Bernard Gadsden, none.
7. Sisters and spouses:
Genita Elizabeth Hanna, none.
Benjamin Hanna, none.

---

*Michael Klosson, of Maryland, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Cyprus.
Nominee: Michael Klosson.
Post: American Embassy Cyprus.
The following is a list of all members of my immediate family and their spouses. I have asked each of these persons to inform me of the pertinent contributions made by them. To the best of my knowledge, the information contained in this report is complete and accurate.
Contributions, amount, date, donee:
1. Self, Michael Klosson, none.
2. Spouse, Bonita Bender-Klosson, none.
3. Children and Spouses:
Emily Klosson, none.
Karen Klosson, none.
4. Parents:
Boris H. Klosson (deceased), none.
Harriet F. C. Klosson, none.
5. Grandparents:
Michael Mathew Klosson (deceased), none.
Keneena Hansen Klosson (deceased), none.
Charles Steele Cheston (deceased), none.
6. Brothers and Spouses:
Charles S.C. Klosson, none.
Christopher Klosson, none.
7. Sisters and Spouse:
Harriet F. C. Klosson DiCicco, none.
Stephen DiCicco, none.
*Randolph Bell, of Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Special Envoy for Holocaust Issues.
*Mark Sullivan, of Maryland, to be United States Director of the European Bank for Reconstruction and Development.
*Paul William Speltz, of Texas, to be United States Director of the Asian Development Bank, with the rank of Ambassador.
*Kenneth Y. Tomlinson, of Virginia, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2004.
*Kenneth Y. Tomlinson, of Virginia, to be Chairman of the Broadcasting Board of Governors.
*Norman J. Pattiz, of California, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2004.
*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. CANTWELL (for herself, Mr. WARNER, Mr. CHAFEE, Mr. CLELAND, Mr. ROCKEFELLER, and Mr. BINGAMAN):
S. 2790. A bill to provide lasting protection for inventoried roadless areas within the National Forest System; to the Committee on Energy and Natural Resources.
By Mr. DOMENICI (for himself and Mr. FEINGOLD):
S. 2791. A bill to provide budget discipline and enforcement for fiscal year 2003 and beyond; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.
By Mr. LEVIN:
S. 2792. A bill to amend the Solid Waste Disposal Act to authorize the Administrator of the Environmental Protection Agency to carry out certain authorities relating to the importation of municipal solid waste under the Agreement Concerning the Transboundary Movement of Hazardous Waste between the United States and Canada; to the Committee on Environment and Public Works.
By Mr. ENSIGN:
S. 2793. A bill to improve patient access to health care services and provide improved medical care by reducing the excessive burden the liability system places on the health care delivery system; to the Committee on the Judiciary.
By Mr. GRAMM (for himself, Mr. MILLER, and Mr. MCCONNELL):
S. 2794. A bill to establish a Department of Homeland Security, and for other purposes; to the Committee on Governmental Affairs.
By Mr. KERRY:
S. 2795. A bill to amend title XVIII of the Social Security Act to provide for payment under the prospective payment system for hospital outpatient department services under the medicare program for new drugs administered in such departments as soon as the drugs administered in such departments as soon as the drug is approved for marketing by the Commissioner of Food and Drugs; to the Committee on Finance.
By Mr. LUGAR (for himself, Mr. BREAUX, Mr. CHAFEE, Mr. GRASSLEY, Mr. NICKLES, Mr. GRAHAM, Mr. HAGEL, Mr. SPECTER, Mr. HATCH, and Mr. COCHRAN):
S. 2796. A bill to authorize the negotiation of a free trade agreement with Uruguay; to the Committee on Finance.
By Ms. MIKULSKI:
S. 2797. An original bill making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2003, and for other purposes; from the Committee on Appropriations; placed on the calendar.
By Mr. DURBIN (for himself and Mr. LEAHY):
S. 2798. A bill to protect employees and retirees from corporate practices that deprive them of their earnings and retirement savings when a business files for bankruptcy under title 11, United States Code; to the Committee on the Judiciary.
By Mr. McCAIN:
S. 2799. A bill to provide for the use of and distribution of certain funds awarded to the Gila River Pima-Maricopa Indian Community, and for other purposes; to the Committee on Indian Affairs.
By Mr. BAUCUS (for himself, Mr. BURNS, Mr. DASCHLE, and Mr. JOHNSON):
S. 2800. A bill to provide emergency disaster assistance to agricultural producers; to the Committee on Agriculture, Nutrition, and Forestry.
By Mr. KOHL:
S. 2801. An original bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003, and for other purposes; from the Committee on Appropriations; placed on the calendar.
By Mr. KENNEDY:
S.J. Res. 42. A joint resolution commending Sail Boston for its continuing advancement of the maritime heritage of nations, its commemoration of the nautical history of the United States, and its promotion, encouragement, and support of young cadets through training ;to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. THURMOND:
S. Res. 305. A resolution designating the week beginning September 15, 2002, as ''National Historically Black Colleges and Universities Week''; to the Committee on the Judiciary.
By Mr. BROWNBACK (for himself, Mr. WYDEN, Ms. COLLINS, Mr. DORGAN, Mr. GRASSLEY, Mr. CONRAD, Mr. SMITH of New Hampshire, and Mrs. BOXER):
S. Res. 306. A resolution expressing the sense of the Senate concerning the continuous repression of freedoms within Iran and of individual human rights abuses, particularly with regard to women; to the Committee on Foreign Relations.
By Mr. INOUYE:
S. Con. Res. 131. A concurrent resolution designating the month of November 2002, as ''National Military Family Month''; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 683

At the request of Mr. SANTORUM, the name of the Senator from Arkansas (Mr. HUTCHINSON) was added as a cosponsor of S. 683, a bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance, and to establish State health insurance safety-net programs.

S. 1350

At the request of Mr. DAYTON, the name of the Senator from Minnesota (Mr. WELLSTONE) was added as a cosponsor of S. 1350, a bill to amend the title XVIII of the Social Security Act to provide payment to medicare ambulance suppliers of the full costs of providing such services, and for other purposes.

S. 1785

At the request of Mr. CLELAND, the name of the Senator from Oregon (Mr. SMITH) was added as a cosponsor of S. 1785, a bill to urge the President to establish the White House Commission on National Military Appreciation Month, and for other purposes.

S. 1931

At the request of Mr. LIEBERMAN, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1931, a bill to amend title XVIII of the Social Security Act to improve patient access to, and utilization of, the colorectal cancer screening benefit under the medicare program.

S. 2239

At the request of Mr. SARBANES, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 2239, a bill to amend the National Housing Act to simplify the downpayment requirements for FHA mortgage insurance for single family homebuyers.

S. 2554

At the request of Mr. SMITH of New Hampshire, the names of the Senator from Virginia (Mr. ALLEN), the Senator from Virginia (Mr. WARNER) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 2554, a bill to amend title 49, United States Code, to establish a program for Federal flight deck officers, and for other purposes.

S. 2572

At the request of Mr. KERRY, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 2572, a bill to amend title VII of the Civil Rights Act of 1964 to establish provisions with respect to religious accommodation in employment, and for other purposes.

S. 2637

At the request of Mr. CONRAD, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 2637, a bill to amend the Internal Revenue Code of 1986 and the Surface Mining Control and Reclamation Act of 1977 to protect the health benefits of retired miners and to restore stability and equity to the financing of the United Mine Workers of America Combined Benefit Fund and 1992 Benefit Plan by providing additional sources of revenue to the Fund and Plan, and for other purposes.

S. 2674

At the request of Mr. BROWNBACK, the name of the Senator from Oklahoma (Mr. INHOFE) was added as a cosponsor of S. 2674, a bill to improve access to health care medically underserved areas.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. CANTWELL (for herself, Mr. WARNER, Mr. CHAFEE, Mr. CLELAND, Mr. ROCKEFELLER, and Mr. BINGAMAN):

S. 2790. A bill to provide lasting protection for inventoried roadless areas within the National Forest System; to the Committee on Energy and Natural Resources.

Mr. WARNER. Madam President, I rise today to join with my colleague from Washington, Senator CANTWELL, to ensure that the remaining, undisturbed areas within our National Forest system are permanently preserved.

Like many of my colleagues, I have worked with the Forest Service and participated in the public comment process on the development of the current Roadless Area Conservation Rule. This administrative procedure was several years in the making with extensive public outreach of public hearings across the country. Thousands of Americans voiced support for protecting these areas from road building and other development.

For my part, this legislation today continues efforts I have undertaken with my colleagues from the Southeast to protect the existing roadless areas in the Southern Appalachia forests. In 1997 I urged the Secretary of Agriculture to impose a moratorium on new road construction in these inventoried roadless areas. Last year, I urged President Bush to embrace and implement this important resource conservation policy. I was very encouraged that the President announced his administration's support for this rule on May 4, 2001.

Today, with this rule under legal challenge, I believe that it is important to take another step forward with ensuring that this rule is codified so that it has the full force of law. While some may advocate changes to the current rule to gain advantages for greater use or greater restrictions on these inventoried roadless areas, I want to assure my colleagues that our legislation today mirrors the current rule. With the extensive efforts of the Forest Service to analyze the impact of the rule and the large number of public comments in support, we must stay true to this effort.

The devastating fires on Forest Service lands in the West this summer have renewed our commitment to programs to reduce the fuel load on forest lands. I support Sen. Domenici's initiatives to redirect Forest Service funding of fuel reduction projects in areas adjoining residential areas, and remain committed to giving the Forest Service all of the tools it needs to reduce the loss of life and property from fires.

An important reason for my support today is because I am convinced that the Roadless Rule does not prevent the Forest Service from undertaking any fire prevention activities in roadless areas. Nor, when a fire exists, does the rule prevent the Forest Service from taking any appropriate action, including building roads in roadless areas, to create fire breaks or other means to control a wildfire.

But, Mr. President, there must be no doubt on this important issue. For that reason, we have provided further clarification that the Forest Service has every authority to prevent fires or to respond to fires, and to use appropriated funds to undertake fire suppression activities in roadless areas.

This rule is a balanced approach to forest service management because it provides for reasonable exceptions for activities in roadless areas. I remain committed to the multiple-use management of our national forests. Timber and mineral resources on these public lands are assets that should be appropriately utilized and available for all Americans. My view of multiple-use management also recognizes and advances the recreational and environmental assets of these roadless areas.

The remaining roadless areas in our national forests are important for providing outstanding recreational opportunities for the public. These lands also provide wildlife habitat and protect the water quality of many watersheds that serve as downstream drinking water sources for our communities.

The Roadless Area Conservation rule is also sound fiscal policy for our national forests. The Forest Service has documented an $8.4 billion backlog in maintaining existing roads within our national forests. Continuing to build new roads in these fragile areas will only further strain the scarce dollars within the Forest Service.

As I have indicated, the legislation we are introducing today does not change the substance or spirit of the Roadless rule in any way. To be clear, this legislation preserves the exemptions in the rule to allow for road construction where needed to protect these lands from floods, fires, and pest infestation. It ensures public access to private lands, and recognizes the existing rights to ongoing oil and gas leases.

For Virginia, this legislation ensures that 394,000 acres of inventoried roadless areas in the George Washington and Jefferson National Forests are permanently protected. During the public comment period on the Draft Environmental Impact Statement, the Forest Service received 68,586 comments from residents of Virginia. The Forest Service advises me that of this amount more than 98 percent of the comments supported full protection of these roadless areas.

I am pleased to support this legislation that is important to all regions of the country. The public has voiced its overwhelming support for this important conservation initiative, and I trust that my colleagues will respond by passing this bill this year.

By Mr. LEVIN:

S. 2792. A bill to amend the Solid Waste Disposal Act to authorize the Administrator of the Environmental Protection Agency to carry out certain authorities relating to the importation of municipal solid waste under the Agreement Concerning the Transboundary Movement of Hazardous Waste between the United

States and Canada; to the Committee on Environment and Public Works.

Mr. LEVIN. Madam President, I am introducing legislation today with Congressman DINGELL that will give a voice to the people of Michigan with regard to the importation of Canadian municipal waste.

Over the past two years, imports from Canada have risen 152 percent and now constitute about half of the imported waste received at Michigan landfills. Currently, approximately 110–130 truckloads of waste come in to Michigan each day from Canada. And this problem isn't going to get any better. These shipments of waste are expected to continue as Toronto and other Ontario sources phase out local disposal sites. On December 4, 2001, the Toronto City Council voted 38–2 to approve a new solid waste disposal contract that would ship an additional 700,000 tons of waste per year to the Carleton Farms landfill in Wayne County, MI, in the near future. In addition, two other Ontario communities that generate hundreds of thousands of tons of waste annually have signed contracts to ship their waste to Carleton Farms.

Based on current usage statistics, the Michigan Department of Environmental Quality estimates that Michigan has capacity for 15–17 years of disposal in landfills. However, with the proposed dramatic increase in the importation of waste, this capacity is less than 10 years. The Michigan Department of Environmental Quality estimates that, for every five years of disposal of Canadian waste at the current usage volume, Michigan is losing a full year of landfill capacity.

We have protections contained in an international agreement with Canada. In 1986, the U.S. and Canada entered into an agreement allowing the shipment of hazardous waste across the U.S./Canadian border for treatment, storage or disposal. In 1992, the two countries decided to add municipal solid waste to the agreement. However, although the Agreement requires notification to the importing country and also allows the importing country to reject shipments, its provisions have not been enforced.

Further, the EPA has said that it would not object to municipal waste shipments. We believe that in order to protect the health and welfare of the citizens of Michigan and their environment, the impact of the importation on State and local recycling efforts, landfill capacity, air emissions and road deterioration resulting from increased vehicular traffic and public health and the environment should all be considered. The shipments should be rejected by the EPA.

Canada could not export waste to Michigan without the Agreement, but the U.S. refuses to implement the provisions that would protect the people of Michigan. We believe that the EPA has the authority to enforce this Agreement, but this legislation would put additional pressure on the EPA to enforce it.

By Mr. KERRY:

S. 2795. A bill to amend title XVIII of the Social Security Act to provide for payment under the prospective payment system for hospital outpatient department services under the medicare program for new drugs administered in such departments as soon as the drugs administered in such departments as soon as the drug is approved for marketing by the Commissioner of Food and Drugs; to the Committee on Finance.

Mr. KERRY. Madam President, I am pleased to introduce legislation today that will fix a flaw in Medicare's claims processing system that currently denies thousands of cancer patients timely access to lifesaving treatments. This legislation will ensure that administrative delays do not force Americans with cancer to wait to be treated with existing innovative drug therapies that stand to improve and prolong their lives.

The Food and Drug Administration, FDA, recently granted fast track authority to a new class of cancer therapies. These therapies, which combine immunotherapy and radiological treatments, offer promise and hope for many cancer patients. Under current Medicare policy, however, reimbursement for FDA-approved drugs in an outpatient setting does not begin until Medicare issues a billing code for the drug. Consequently, there is often a delay of several months between FDA approval of and patient access to a drug.

Prior to the designation of a Medicare billing code, doctors will not prescribe innovative treatments for patients in an outpatient setting for fear of their being denied reimbursement by Medicare. However, within the inpatient setting, Medicare will reimburse hospitals immediately after FDA approval. Given this discrepancy in current policy, I am introducing legislation that will allow doctors to submit claims retroactively and require Medicare to pay for innovative drugs administered in hospital outpatient settings immediately after FDA approval.

Cancer patients cannot afford to wait for drugs that have the potential to improve their health and even save their lives. For Americans battling cancer, time is of the essence. This legislation will provide cancer patients with both the hope and the opportunity to live longer and healthier lives. I urge my colleagues to join me in support of this legislation.

By Mr. LUGAR (for himself, Mr. BREAUX, Mr. CHAFEE, Mr. GRASSLEY, Mr. NICKLES, Mr. GRAHAM, Mr. HAGEL, Mr. SPECTER, Mr. HATCH, and Mr. COCHRAN):

S. 2796. A bill to authorize the negotiation of a free trade agreement with Uruguay; to the Committee on Finance.

Mr. LUGAR. Madam President, I rise today to introduce legislation authorizing President Bush and his Administration to negotiate a free trade agreement with Uruguay. I am pleased to be joined by the following co-sponsors: Senators BREAUX, CHAFEE, GRASSLEY, NICKLES, GRAHAM, HAGEL, SPECTER, HATCH, and COCHRAN.

President Bush has instructed U.S. Trade Representative, Robert Zoellick, to pursue a Free Trade Area of the Americas. I support this effort and this bill is not intended to compete with or replace that important undertaking. Instead, this legislation seeks to highlight the important relationship the U.S. enjoys with Uruguay and promote the need for extending free-trade to South America.

Uruguayan economic reforms focused on the attraction of foreign trade and capital have proven successful. The economy of Uruguay grew steadily until low commodity prices and economic difficulties in export markets caused a recession in 1999. President Jorge Batlle has stated his intention to continue the promotion of economic growth, international trade, lower tariffs, and attracting foreign investment. More than one hundred U.S.-owned companies operate in Uruguay, and many more market U.S. goods and services.

Uruguay is a member of the World Trade Organization and a dynamic member of the Southern Cone Common Market, MERCOSUR, with Argentina, Brazil, and Paraguay. Furthermore, it is an active participant and proponent of the Free Trade Area of the Americas process and is coordinator of the e-commerce group and sub-coordinator of the agricultural subsidies group.

If the United States hopes to sustain its economic strength in the 21st Century, we must participate in an expanding global economy. We must aggressively pursue opportunities in new and emerging markets. We must maintain our technological and competitive advantage and sell our products, services and agricultural commodities in these areas. American agriculture, telecommunications, computer services, and other sectors will benefit from the opportunity to compete in Uruguay under a free trade agreement.

As South America continues to recover from the Argentinian economic crisis we must look for opportunities to engage the region in free trade. A free trade agreement with Uruguay would provide American business with unfettered access to another lucrative market and Uruguayan business will have better access to American markets to successfully weather the region's economic fallout. A U.S.-Uruguayan free trade agreement is a win-win for the United States and Uruguay.

I am hopeful the Senate will approve this important legislation in the near future.

By Mr. MCCAIN:

S. 2799. A bill to provide for the use of and distribution of certain funds

awarded to the Gila River Pima-Maricopa Indian Community, and for other purposes; to the Committee on Indian Affairs.

Mr. MCCAIN. Madam President, I rise to introduce legislation to authorize the distribution of judgement funds to eligible tribal members of the Gila River Indian Community in Arizona. Representative HAYWORTH recently introduced companion legislation in the House of Representatives.

The Gila River Indian Community Judgement Fund Distribution Act resolves two half-century old claims by the Gila River tribe against the United States for failure to meet Federal obligations to protect the Community's use of water from the Gila River and Salt River in Arizona. The original complaint was filed before the Indian Claims Commission on August 8, 1951. In 1982, the United States Court of Claims confirmed liability of the United States to the Community, and recently the settlement of these two claims was determined to be seven million dollars.

So much time has passed that the Indian Claims Commission formerly in charge of fund distributions no longer exists. However, a debt does not disappear. The judgement award has since been transferred from the Indian Claims Commission to a trust account on behalf of the Community, managed by the Office of Trust Management at the Department of Interior.

This judgement award was certified by the Treasury Department on October 6, 1999 for the final portion of the litigation to the two remaining dockets of the Gila River Indian Community. Since that time, the Community has been working with the BIA in an attempt to finalize a use and distribution plan to submit to Congress for approval. As outlined in its plan, the Community has decided to distribute the judgement award equally to eligible tribal members.

I ask unanimous consent to print the tribal resolution approved by the Gila River Indian Community in support of this payment plan in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

GILA RIVER INDIAN COMMUNITY, SACATON, AZ

Resolution GR–30–01—a resolution to approve a payment plan for the distribution of funds awarded under dockets 236–C and 236–D

Whereas, the Gila River Indian Community (the ''Community'') and the United States have been involved in litigation regarding Docket 236 since August 8, 1951 and two of the original fourteen dockets, Docket 236–C and Docket 236–D, remain to be resolved as to distribution;

Whereas, Docket 236–C sought monetary compensation from the United States for its failure to engage in fair and honorable dealings through failure to carry out its obligation to protect the Community's use of water from the Gila River;

Whereas, Docket 236–D sought monetary compensation from the United States for its failure to engage in fair and honorable dealings through failure to carry out its obligations to protect the Community's use of water from the Salt River;

Whereas, in Gila River Pima-Maricopa Indian Community v. U.S. 29 Ind. Cl.Comm. 144. (1972), the Indian Claims Commission held that the United States, as trustee, was liable towards its beneficiary, the Community, as to the Docket 236–C claims:

Whereas, in Gila River Pima-Maricopa Indian Community v. U.S., 684 F.2d 852 (1982), the United States Court of Claims held that the United States, as trustee, was liable toward its beneficiary, the Community, as to the Docket 236–D claims;

Whereas, with approval by the Community under Resolution GR–98–98, the Community entered into a settlement of Docket 236–C and Docket 236–D with the United States on April 27, 1999 regarding the amount of liability for the sum of Seven Million Dollars ($7,000,000.00);

Whereas, on May 5, 1999, the United States certified the judgment for the Community, which allowed payment to be made into the trust account on behalf of the Gila River Indian Community and which such payment was made into the trust account managed by the Office of Trust Funds Management in Albuquerque, New Mexico and is accruing interest;

Whereas, the Indian Judgment Funds Act of October 19, 1973, 87 Stat. 466, as amended and implemented by 25 CFR Part 87, requires the Secretary of the Interior to submit a plan of distribution for docket funds to the United States Congress; and

Whereas, the Community had developed the attached plan of distribution, entitled ''Plan for the Use of the Gila River Indian Community Indian Judgment Funds in Docket 236–C and Docket 236–D before the United States Court of Federal Claims'' (the ''Plan of Distribution''), to be submitted to the Secretary of the Interior for consideration and approval. Now, therefore be it

Resolved, That the Gila River Indian Community Council adopts and approves the attached Plan of Distribution, be it further

Resolved, That the Governor, or in the Governor's absence the Lieutenant Governor, is authorized and directed to submit the attached Plan of Distribution to the Secretary of the Interior for approval, be it finally

Resolved, That the Governor, or in the Governor's absence the Lieutenant Governor, is authorized and directed to execute and sign necessary documents to fulfill the intent of this Resolution.

The purpose of this legislation is to comply with Federal regulations which requires congressional approval for distribution of judgment funds to tribal members. The terms of the legislation reflect an agreement by all parties for a distribution plan for final approval by the Congress. As part of this legislation, the BIA is also seeking to resolve remaining expert assistance loans by the Gila River Indian Community, the Oglala Sioux Tribe, and the Seminole Tribe of Florida, as originally authorized by the Indian Claims Commission.

Members of the Gila River Indian Community have waited half a century for final resolution of all their legal claims regarding this matter. After considerable delay, it is only fair to resolve this matter and provide compensation as soon as possible. With the short time remaining in this session, I hope that the Senate will act quickly to move this legislation through the process.

I ask unanimous consent to print the text of the bill and a section-by-section summary in the RECORD.

There being no objection, the additional material was ordered to be printed in the RECORD, as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Gila River Indian Community Judgment Fund Distribution Act of 2002''.

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

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Definitions.

TITLE I—GILA RIVER JUDGMENT FUND DISTRIBUTION

Sec. 101. Distribution of judgment funds.
Sec. 102. Responsibility of Secretary; applicable law.

TITLE II—CONDITIONS RELATING TO COMMUNITY JUDGMENT FUND PLANS

Sec. 201. Plan for use and distribution of judgment funds awarded in Docket No. 228.
Sec. 202. Plan for use and distribution of judgment funds awarded in Docket No. 236–N.

TITLE III—EXPERT ASSISTANCE LOANS

Sec. 301. Waiver of repayment of expert assistance loans to certain Indian tribes.

SEC. 2. FINDINGS.

Congress finds that—

(1) on August 8, 1951, the Gila River Indian Community filed a complaint before the Indian Claims Commission in Gila River Pima-Maricopa Indian Community v. United States, Docket No. 236, for the failure of the United States to carry out its obligation to protect the use by the Community of water from the Gila River and the Salt River in the State of Arizona;

(2) except for Docket Nos. 236–C and 236–D, which remain undistributed, all 14 original dockets under Docket No. 236 have been resolved and distributed;

(3) in Gila River Pima-Maricopa Indian Community v. United States, 29 Ind. Cl. Comm. 144 (1972), the Indian Claims Commission held that the United States, as trustee, was liable to the Community with respect to the claims made in Docket No. 236–C;

(4) in Gila River Pima-Maricopa Indian Community v. United States, 684 F.2d 852 (1982), the United States Claims Court held that the United States, as trustee, was liable to the Community with respect to the claims made in Docket No. 236–D;

(5) with the approval of the Community under Community Resolution GR–98–98, the Community entered into a settlement with the United States on April 27, 1999, for claims made under Dockets Nos. 236–C and 236–D for an aggregate total of $7,000,000;

(6) on May 3, 1999, the United States Court of Federal Claims ordered that a final judgment be entered in consolidated Dockets Nos. 236–C and 236–D for $7,000,000 in favor of the Community and against the United States;

(7)(A) on October 6, 1999, the Department of the Treasury certified the payment of $7,000,000, less attorney fees, to be deposited in a trust account on behalf of the Community; and

(B) that payment was deposited in a trust account managed by the Office of Trust Funds Management of the Department of the Interior; and

(8) in accordance with the Indian Tribal Judgment Funds Use or Distribution Act (25

U.S.C. 1401 et seq.), the Secretary is required to submit an Indian judgment fund use or distribution plan to Congress for approval.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADULT.—The term ''adult'' means an individual who—

(A) is 18 years of age or older as of the date on which the payment roll is approved by the Community; or

(B) will reach 18 years of age not later than 30 days after the date on which the payment roll is approved by the Community.

(2) COMMUNITY.—The term ''Community'' means the Gila River Indian Community.

(3) COMMUNITY-OWNED FUNDS.—The term ''Community-owned funds'' means—

(A) funds held in trust by the Secretary as of the date of enactment of this Act that may be made available to make payments under section 101; or

(B) revenues held by the Community that are derived from Community-owned enterprises.

(4) IIM ACCOUNT.—The term ''IIM account'' means an individual Indian money account.

(5) JUDGMENT FUNDS.—The term ''judgment funds'' means the aggregate amount awarded to the Community by the Court of Federal Claims in Dockets Nos. 236–C and 236–D.

(6) LEGALLY INCOMPETENT INDIVIDUAL.—The term ''legally incompetent individual'' means an individual who has been determined to be incapable of managing his or her own affairs by a court of competent jurisdiction.

(7) MINOR.—The term ''minor'' means an individual who is not an adult.

(8) PAYMENT ROLL.—The term ''payment roll'' means the list of eligible, enrolled members of the Community who are eligible to receive a payment under section 101(a), as prepared by the Community under section 101(b).

(9) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

TITLE I—GILA RIVER JUDGMENT FUND DISTRIBUTION

SEC. 101. DISTRIBUTION OF JUDGMENT FUNDS.

(a) PER CAPITA PAYMENTS.—Notwithstanding the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1401 et seq.) or any other provision of law (including any regulation promulgated or plan developed under such a law), the amounts paid in satisfaction of an award granted to the Gila River Indian Community in Dockets Nos. 236–C and 236–D before the United States Court of Federal Claims, less attorney fees and litigation expenses and including all accrued interest, shall be distributed in the form of per capita payments (in amounts as equal as practicable) to all eligible enrolled members of the Community.

(b) PREPARATION OF PAYMENT ROLL.—

(1) IN GENERAL.—The Community shall prepare a payment roll of eligible, enrolled members of the Community that are eligible to receive payments under this section in accordance with the criteria described in paragraph (2).

(2) CRITERIA.—

(A) INDIVIDUALS ELIGIBLE TO RECEIVE PAYMENTS.—Subject to subparagraph (B), the following individuals shall be eligible to be listed on the payment roll and eligible to receive a per capita payment under subsection (a):

(i) All enrolled Community members who are eligible to be listed on the per capita payment roll that was approved by the Secretary for the distribution of the funds awarded to the Community in Docket No. 236–N (including any individual who was inadvertently omitted from that roll).

(ii) All enrolled Community members who are living on the date of enactment of this Act.

(iii) All enrolled Community members who died—

(I) after the effective date of the payment plan for Docket No. 236–N; but

(II) on or before the date of enactment of this Act.

(B) INDIVIDUALS INELIGIBLE TO RECEIVE PAYMENTS.—The following individuals shall be ineligible to be listed on the payment roll and ineligible to receive a per capita payment under subsection (a):

(i) Any individual who, before the date on which the Community approves the payment roll, relinquished membership in the Community.

(ii) Any minor who relinquishes membership in the Community, or whose parent or legal guardian relinquishes membership on behalf of the minor, before the date on which the minor reaches 18 years of age.

(iii) Any individual who is disenrolled by the Community for just cause (such as dual enrollment or failure to meet the eligibility requirements for enrollment).

(iv) Any individual who is determined or certified by the Secretary to be eligible to receive a per capita payment of funds relating to a judgment—

(I) awarded to another community, Indian tribe, or tribal entity; and

(II) appropriated on or before the date of enactment of this Act.

(v) Any individual who is not enrolled as a member of the Community on or before the date that is 90 days after the date of enactment of this Act.

(c) NOTICE TO SECRETARY.—On approval by the Community of the payment roll, the Community shall submit to the Secretary a notice that indicates the total number of individuals eligible to share in the per capita distribution under subsection (a), as expressed in subdivisions that reflect—

(1) the number of shares that are attributable to eligible living adult Community members; and

(2) the number of shares that are attributable to deceased individuals, legally incompetent individuals, and minors.

(d) INFORMATION PROVIDED TO SECRETARY.—The Community shall provide to the Secretary enrollment information necessary to allow the Secretary to establish—

(1) estate accounts for deceased individuals described in subsection (c)(2); and

(2) IIM accounts for legally incompetent individuals and minors described in subsection (c)(2).

(e) DISBURSEMENT OF FUNDS.—

(1) IN GENERAL.—Not later than 30 days after the date on which the payment roll is approved by the Community and the Community has reconciled the number of shares that belong in each payment subdivision described in subsection (c), the Secretary shall disburse to the Community the funds necessary to make the per capita distribution under subsection (a) to eligible living adult members of the Community described in subsection (c)(1).

(2) ADMINISTRATION AND DISTRIBUTION.—On disbursement of the funds under paragraph (1), the Community shall bear sole responsibility for administration and distribution of the funds.

(f) SHARES OF DECEASED INDIVIDUALS.—

(1) IN GENERAL.—The Secretary, in accordance with regulations promulgated by the Secretary and in effect as of the date of enactment of this Act, shall distribute to the appropriate heirs and legatees of deceased individuals described in subsection (c)(2) the per capita shares of those deceased individuals.

(2) ABSENCE OF HEIRS AND LEGATEES.—If the Secretary and the Community make a final determination that a deceased individual described in subsection (c)(2) has no heirs or legatees, the per capita share of the deceased individual and the interest earned on that share shall—

(A) revert to the Community; and

(B) be deposited into the general fund of the Community.

(g) SHARES OF LEGALLY INCOMPETENT INDIVIDUALS.—

(1) IN GENERAL.—The Secretary shall deposit the shares of legally incompetent individuals described in subsection (c)(2) in supervised IIM accounts.

(2) ADMINISTRATION.—The IIM accounts described in paragraph (1) shall be administered in accordance with regulations and procedures established by the Secretary and in effect as of the date of enactment of this Act.

(h) SHARES OF MINORS.—

(1) IN GENERAL.—The Secretary shall deposit the shares of minors described in subsection (c)(2) in supervised IIM accounts.

(2) ADMINISTRATION.—

(A) IN GENERAL.—The Secretary shall hold the per capita share of a minor described in subsection (c)(2) in trust until such date as the minor reaches 18 years of age.

(B) NONAPPLICABLE LAW.—Section 3(b)(3) of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1403(b)(3)) shall not apply to any per capita share of a minor that is held by the Secretary under this Act.

(C) DISBURSEMENT.—No judgment funds, nor any interest earned on judgment funds, shall be disbursed from the account of a minor described in subsection (c)(2) until such date as the minor reaches 18 years of age.

(i) PAYMENT OF ELIGIBLE INDIVIDUALS NOT LISTED ON PAYMENT ROLL.—

(1) IN GENERAL.—An individual who is not listed on the payment roll, but is eligible to receive a payment under this Act, as determined by the Community, may be paid from any remaining judgment funds after the date on which—

(A) the Community makes the per capita distribution under subsection (a); and

(B) all appropriate IIM accounts are established under subsections (g) and (h).

(2) INSUFFICIENT FUNDS.—If insufficient judgment funds remain to cover the cost of a payment described in paragraph (1), the Community may use Community-owned funds to make the payment.

(3) MINORS, LEGALLY INCOMPETENT INDIVIDUALS, AND DECEASED INDIVIDUALS.—In a case in which a payment described in paragraph (2) is to be made to a minor, a legally incompetent individual, or a deceased individual, the Secretary—

(A) is authorized to accept and deposit funds from the payment in an IIM account or estate account established for the minor, legally incompetent individual, or deceased individual; and

(B) shall invest those funds in accordance with applicable law.

(j) USE OF RESIDUAL FUNDS.—On request by the Community, any judgment funds remaining after the date on which the Community completes the per capita distribution under subsection (a) and makes any appropriate payments under subsection (i) shall be disbursed to, and deposited in the general fund of, the Community.

(k) NONAPPLICABILITY OF CERTAIN LAW.—Notwithstanding any other provision of law, the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.) shall not apply to Community-owned funds used by the Community to make payments under subsection (i).

SEC. 102. RESPONSIBILITY OF SECRETARY; APPLICABLE LAW.

(a) RESPONSIBILITY FOR FUNDS—After the date on which funds are disbursed to the Community under section 101(e)(1), the United States and the Secretary shall have

no trust responsibility for the investment, supervision, administration, or expenditure of the funds disbursed.

(b) DECEASED AND LEGALLY INCOMPETENT INDIVIDUALS.—Funds subject to subsections (f) and (g) of section 101 shall continue to be held in trust by the Secretary until the date on which those funds are disbursed under this Act.

(c) APPLICABILITY OF OTHER LAW.—Except as otherwise provided in this Act, all funds distributed under this Act shall be subject to sections 7 and 8 of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1407, 1408).

TITLE II—CONDITIONS RELATING TO COMMUNITY JUDGMENT FUND PLANS

SEC. 201. PLAN FOR USE AND DISTRIBUTION OF JUDGMENT FUNDS AWARDED IN DOCKET NO. 228.

(a) DEFINITION OF PLAN.—In this section, the term ''plan'' means the plan for the use and distribution of judgment funds awarded to the Community in Docket No. 228 of the United States Claims Court (52 Fed. Reg. 6887 (March 5, 1987)), as modified in accordance with Public Law 99–493 (100 Stat. 1241).

(b) CONDITIONS.—Notwithstanding any other provision of law, the Community shall modify the plan to include the following conditions with respect to funds distributed under the plan:

(1) APPLICABILITY OF OTHER LAW RELATING TO MINORS.—Section 3(b)(3) of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1403(b)(3)) shall not apply to any per capita share of a minor that is held, as of the date of enactment of this Act, by the Secretary.

(2) SHARE OF MINORS IN TRUST.—The Secretary shall hold a per capita share of a minor described in paragraph (1) in trust until such date as the minor reaches 18 years of age.

(3) DISBURSAL OF FUNDS FOR MINORS.—No judgment funds, nor any interest earned on judgment funds, shall be disbursed from the account of a minor described in paragraph (1) until such date as the minor reaches 18 years of age.

(4) USE OF REMAINING JUDGMENT FUNDS.—On request by the governing body of the Community, as manifested by the appropriate tribal council resolution, any judgment funds remaining after the date of completion of the per capita distribution under section 101(a) shall be disbursed to, and deposited in the general fund of, the Community.

SEC. 202. PLAN FOR USE AND DISTRIBUTION OF JUDGMENT FUNDS AWARDED IN DOCKET NO. 236–N.

(a) DEFINITION OF PLAN.—In this section, the term ''plan'' means the plan for the use and distribution of judgment funds awarded to the Community in Docket No. 236–N of the United States Court of Federal Claims (59 Fed. Reg. 31092 (June 16, 1994)).

(b) CONDITIONS.—

(1) PER CAPITA ASPECT.—Notwithstanding any other provision of law, the Community shall modify the last sentence of the paragraph under the heading ''Per Capita Aspect'' in the plan to read as follows: ''Upon request from the Community, any residual principal and interest funds remaining after the Community has declared the per capita distribution complete shall be disbursed to, and deposited in the general fund of, the Community.''.

(2) GENERAL PROVISIONS.—Notwithstanding any other provision of law, the Community shall—

(A) modify the third sentence of the first paragraph under the heading ''General Provisions'' of the plan to strike the word ''minors''; and

(B) insert between the first and second paragraphs under that heading the following: ''Section 3(b)(3) of the Indian Tribal Judgment Funds Use or Distribution Act (25 U.S.C. 1403(b)(3)) shall not apply to any per capita share of a minor that is held, as of the date of enactment of the Gila River Indian Community Judgment Fund Distribution Act of 2002, by the Secretary. The Secretary shall hold a per capita share of a minor in trust until such date as the minor reaches 18 years of age. No judgment funds, or any interest earned on judgment funds, shall be disbursed from the account of a minor until such date as the minor reaches 18 years of age.''.

TITLE III—EXPERT ASSISTANCE LOANS

SEC. 301. WAIVER OF REPAYMENT OF EXPERT ASSISTANCE LOANS TO CERTAIN INDIAN TRIBES.

(a) GILA RIVER INDIAN COMMUNITY.—Notwithstanding any other provision of law—

(1) the balance of all outstanding expert assistance loans made to the Community under Public Law 88–168 (77 Stat. 301) and relating to Gila River Indian Community v. United States (United States Court of Federal Claims Docket Nos. 228 and 236 and associated subdockets) are canceled; and

(2) the Secretary shall take such action as is necessary—

(A) to document the cancellation of loans under paragraph (1); and

(B) to release the Community from any liability associated with those loans.

(b) OGLALA SIOUX TRIBE.—Notwithstanding any other provision of law—

(1) the balances of all outstanding expert assistance loans made to the Oglala Sioux Tribe under Public Law 88–168 (77 Stat. 301) and relating to Oglala Sioux Tribe v. United States (United States Court of Federal Claims Docket No. 117 and associated subdockets) are canceled; and

(2) the Secretary shall take such action as is necessary—

(A) to document the cancellation of loans under paragraph (1); and

(B) to release the Oglala Sioux Tribe from any liability associated with those loans.

(c) SEMINOLE NATION OF OKLAHOMA.—Notwithstanding any other provision of law—

(1) the balances of all outstanding expert assistance loans made to the Seminole Nation of Oklahoma under Public Law 88–168 (77 Stat. 301) and relating to Seminole Nation v. United States (United States Court of Federal Claims Docket No. 247) are canceled; and

(2) the Secretary shall take such action as is necessary—

(A) to document the cancellation of loans under paragraph (1); and

(B) to release the Seminole Nation of Oklahoma from any liability associated with those loans.

SECTION-BY-SECTION ANALYSIS—GILA RIVER INDIAN COMMUNITY-JUDGEMENT FUND USE AND DISTRIBUTION LEGISLATION

SECTION 1: SHORT TITLE AND TABLE OF CONTENTS

Short Title: Gila River Indian Community Judgement Fund Distribution Act of 2002; and Table of Contents.

SECTION 2: FINDINGS

Provides factual background regarding the litigation that led to the seven million settlement awarded to Gila River Indian Community for the United States' failure to protect the Community's use of water from the Gila River and Salt River under Dockets 236–C and 236–D of Gila River Pima-Maricopa Indian Community v. United States, filed on August 8, 1951 before the Indian Claims Commission.

SECTION 3: DEFINITIONS

Provides definitions as utilized in the legislation.

TITLE I: GILA RIVER JUDGEMENT FUND DISTRIBUTION

SECTION 101: DISTRIBUTION OF JUDGEMENT FUNDS.

(a) Per Capita Payments. Authorizes distribution of judgement fund amount, less attorneys fees and litigation expenses, including all accrued interest, to all eligible enrolled members of the Community on a per capita basis.

(b) Preparation of Payment Roll. Requires the Community to prepare the payment roll of eligible enrolled members according to specific criteria, and includes description of individuals who shall be deemed ineligible to receive per capita payment.

(c) Notice to Secretary. Requires the Community to notify the Secretary of Interior of the total number of individuals eligible to share in the per capita distribution after the Community's preparation of the payment roll.

(d) Information Provided to Secretary. Requires the Community to provide the Secretary of Interior with information necessary to allow the Secretary to establish estate accounts for deceased individuals and Individual Indian Money accounts for legally incompetent individuals and minors.

(e) Disbursement of Funds. Requires the Secretary to disburse to the Community the funds necessary to make the per capita payment, not later than 30 days after the payment roll has been approved by the Community and the Community has reconciled the number of shares that belong in each payment category. Provides that once the funds are disbursed to the Community, the Community shall be responsible for administering and distributing the funds.

(f) Shares of Deceased Individuals. Requires the Secretary of Interior to distribute per capita shares of deceased individuals to their heirs and legatees in accordance with existing regulations. Where there are no heirs, provides that funds revert to the Community and shall be deposited in the Community's general fund.

(g) Shares of Legally Incompetent Individuals. Requires the Secretary of Interior to deposit shares of legally incompetent individuals into supervised Individual Indian Money accounts to be administered pursuant to existing regulations.

(h) Shares of Minors. Requires the Secretary of Interior to deposit shares of minors into supervised Individual Indian Management accounts and requires the Secretary to hold the funds in trust until the minor is 18 years of age. Provides that section 3(b)(3) of the Indian Tribal Judgement Funds Act does not apply, the effect of which is to prevent parents and guardians of minors from being able to receive shares on behalf of minors before they turn 18.

(i) Payment of Eligible Individuals Not Listed on Payment Roll. Provides that individuals not listed on payment roll, but eligible for payment, can be paid from any residual principal or interest fund remaining after the Community has made its per capita distribution and the Individual Indian Money accounts have been established. Authorizes the Community to pay these individuals from Community-owned funds if the residual funds are insufficient. Authorizes the Secretary to accept and deposit Community-owned funds into an Individual Indian Money or estate account established for a minor, legal incompetent or deceased beneficiary who is eligible to receive payment, but who was not paid from the judgment fund. Provides that the Secretary shall invest such funds pursuant to existing regulation.

(j) Use of Residual Funds. Provides that if the Community requests it, residual principal and interest funds remaining after the

Community's per capita distribution is complete shall be disbursed to the Community and deposited into the Community's general fund.

(k) Non-applicability of Certain Law. Provides that the Indian Gaming Regulatory Act shall not apply to Community-owned funds used by the Community to cover shortfalls in funding necessary to make payments to individuals not listed on the payment roll, but determined to be eligible. Added to ensure that the Indian Gaming Regulatory Act's prohibition on distribution of gaming funds as per capita payments would not prevent Community-owned funds, including revenues from gaming, from being used to cover shortfalls.

SECTION 102: RESPONSIBILITY OF SECRETARY; APPLICABLE LAW.

(a) Responsibility For Funds. Provides that after disbursement of funds to Community, the Secretary of Interior shall no longer have trust responsibility for the judgment funds.

(b) Deceased and Legally Incompetent Individuals. Provides that Secretary shall continue to have trust responsibility over funds retained in accounts for deceased beneficiaries and legally incompetent individuals.

(c) Applicability of other Law. Provides that pursuant to sections 7 and 8 of the Indian Tribal Judgment Funds Use or Distribution Act, per capita payments are not taxable to individuals under state or federal law as income.

TITLE II—CONDITIONS RELATING TO COMMUNITY JUDGEMENT FUND PLANS

SECTION 201

Provides definition and conditions of the plan for use and distribution of judgement funds awarded in Docket No. 228. Adds paragraph providing that Indian Tribal Judgement Funds Use and Distribution shall not apply to minors' per capita shares held by the Secretary under the plan (effect is to prevent shares from being distributed to parents and guardians of minors prior to age 18) and that Secretary shall hold the minors' per capita shares in trust until they reach age 18. Also adds paragraph stating that upon Community's request, any residual principal and interest funds remaining after the Community has declared the per capita payment complete shall be distributed to the Community and deposited into the Community's general fund.

SECTION 202

Provides definition and conditions of the plan for use and distribution of judgement funds awarded in Docket No. 236–N. Amends the plan to authorize disbursement of residual principal and interest funds to the Community. Provides that provision of Indian Tribal Judgment Funds Act permitting payment to parents and legal guardians of minors is not applicable, and requires Secretary to hold minors' shares in trust until they turn 18.

TITLE III—EXPERT ASSISTANCE LOANS

SECTION 301

Waiver of repayment of expert assistance loans to certain Indian tribes. Waives repayment of expert assistance loans made by the Department of Interior to Gila River Indian Community, Oglala Sioux Tribe, Pueblo of Santo Domingo, and Seminole Nation of Oklahoma.

By Mr. BAUCUS (for himself, Mr. BURNS, Mr. DASCHLE, and Mr. JOHNSON):

S. 2800. A bill to provide emergency disaster assistance to agricultural producers; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. BAUCUS. Madam President, on March 28, 2002, Secretary Veneman declared Montana a drought disaster. This drought designation came two months earlier than in 2001, and eight months earlier than in 2000.

The unrelenting drought Montana is suffering has brought economic hardship to our agriculture producers and rural communities. In 1996, the year before the drought, Montana received $847 million in cash receipts from wheat sales. In 2001, four years into the drought, Montana received $317 million in cash receipts, a 62 percent decline.

Agriculture is more than 50 percent of my State's economy, and is truly the backbone of my State. The drought not only affects our farmers and ranchers. It is felt throughout our rural communities. Small businesses are being forced to close their doors. Families are moving away to find work. It would be virtually impossible to find a single person who has not been either directly or indirectly affected by the dry conditions that we have.

Without our help, without passing natural disaster assistance, it is estimated that 40 percent of Montana's farmers and ranchers will not qualify for operating loans for the 2002 crop year. A large percentage of these hardworking people will lose their land, their homes, their jobs, and their way of life. They will not be purchasing clothes, seed, feed, fertilizer, or equipment in their local stores. They will have to move, take their kids out of school. Small towns will die.

It is unfortunate that farmers and ranchers from Montana have to suffer the effects of prolonged drought without Federal assistance because disaster was not as wide spread in 2001 as it has been in 2002. The farmers and ranchers who suffered from severe drought in 2001 should not be penalized, rather rewarded for their persistence and dedication to Montana's vital industry. We desperately need cooperation and support from all sides to prove relief to our producers that have struggled through dry conditions for so long. We need disaster assistance immediately and we need to provide extra assistance for those who have endured drought in 2001 and 2002. It is time to take action and to provide for those who have produced so many vital resources for the people of the United States.

I am disappointed that we have not been able to produce legislation that is much needed and long overdue to benefit the hard working farmers and ranchers of the state of Montana and across the country. Many of the agricultural producers in Montana who have worked the same land for generations will no longer be able to survive as farmers or ranchers without disaster relief. Consecutive years of drought have caused economic devastation that soon prevent these agricultural producers from doing their jobs. The effects of this cycle will be devastating to the economy and the people of my state.

Unfortunately natural disaster is no longer an issue for just a few States. As of July 22, forty-nine of 50 States are impacted by drought and 36 percent of our country is currently classified as some level of drought. This is an issue that can no longer be ignored.

I am pleased today to introduce with Senator BURNS a natural disaster package that will provide assistance to producers who have had losses due to natural disasters in 2001 and 2002. It also includes funding for 2001 and 2001 for the Livestock Assistance Program and the American Indian Livestock Feed Program. The package that we introduce today is the same policy that 69 of my Senate Colleagues supported when Senator ENZI and I offered the amendment to the Farm Bill but extended to cover the 2002 crop year as well.

It is true that the U.S. Department of Agriculture has utilized the tools that they have available to them. Access to low interest loans, grazing and haying on CRP acreage are important pieces to ensuring that our producers stay in business. However, there is still one major piece of the puzzle missing and that is natural disaster assistance.

It is also true that crop insurance is a very important risk management tool. I supported the crop insurance reform bill and I support and understand the importance of crop insurance. More than 90 percent of insurable acres in Montana are insured. Unfortunately for the program to be run in an actuarially sound fashion, producers are helped the least when they hurt the most. When a producer is suffering from consecutive years of drought, their premium increases and their coverage decreases.

We have the opportunity to stop that process. To keep our rural communities and economies alive. Rural America is resilient. And like them, I will not give up. Thousands of people are suffering from a relentless drought. They deserve natural disaster assistance and I will continue to fight to ensure they get it.

I am pleased to be working with my fellow Senator from Montana, and I ask each of my Senate colleagues to join us in this effort.

Mr. BURNS. Madam President, I rise today to express my support of the Emergency Disaster Assistance Act of 2002. I am proud to join my colleague from Montana, Senator BAUCUS, in introducing this legislation.

However, more importantly I rise today in support of America's farmers and ranchers. In my home State of Montana, we are looking at our fifth summer of severe drought. Many places in my great State are drying up and blowing away. Dirt fills the ditches alongside the roads and so many tumbleweeds clog the fences. I fear this may be the case for much of the West and Midwest after this summer.

This legislation would provide much needed relief to those farmers and ranchers hit the hardest by the drought. Many have argued the Farm

Bill adequately met the needs of those earning their living in agriculture. I disagree. The Farm Bill provides economic assistance, but not weather related disaster assistance.

In fact, it does not help farmers ''when times are tough,'' and the drought conditions of the past several years indicate that these are indeed very difficult times. The very reason I am requesting drought assistance is precisely because this farm bill does not sufficiently meet the needs of those farmers who have suffered loss due to natural conditions during the past 4 years. I believe the farmers in the most extreme situations are the very ones we should be helping.

I am committed to working with my colleagues to get this much-needed assistance out to our rural areas, to the places that need it the most. I am also committed to doing this in the most responsible way possible. I believe we can reach an agreement and find a realistic amount that helps producers, yet is fiscally responsible.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 305—DESIGNATING THE WEEK BEGINNING SEPTEMBER 15, 2002, AS ''NATIONAL HISTORICALLY BLACK COLLEGES AND UNIVERSITIES WEEK''

Mr. THURMOND submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 305

Whereas there are 105 historically black colleges and universities in the United States;

Whereas black colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas black colleges and universities have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of historically black colleges and universities are deserving of national recognition: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL HISTORICALLY BLACK COLLEGES AND UNIVERSITIES WEEK.

The Senate—

(1) designates the week beginning September 15, 2002, as ''National Historically Black Colleges and Universities Week''; and

(2) requests that the President of the United States issue a proclamation calling on the people of the United States and interested groups to observe the week with appropriate ceremonies, activities, and programs to demonstrate support for historically black colleges and universities in the United States.

Mr. THURMOND. Madam President, I rise to submit a resolution recognizing the week of September 15–21, 2002 as National Historically Black Colleges and Universities Week. This resolution is an appropriate tribute to the countless academic contributions these institutions of higher education have made throughout this fine Nation and the State of South Carolina.

I am proud to have eight of the 105 Historically Black Colleges located in my home State. They have long provided a quality education that has greatly contributed to our economic and social well-being, and I commend them for a job well done. In addition, these colleges and universities will help lead our country into the future, with programs that prepare their students for our increasingly sophisticated economy. The alumni of these institutions have made many contributions to our Nation and I hope this resolution serves to recognize their achievements as well.

The passage of this resolution reaffirms our support for these institutions. The Resolution requests the President of the United States to issue an appropriate proclamation and calls on the people of the United States to observe the week with ceremonies, activities and programs to demonstrate support for Historically Black Colleges and Universities throughout this Nation.

SENATE RESOLUTION 306—EXPRESSING THE SENSE OF THE SENATE CONCERNING THE CONTINUOUS REPRESSION OF FREEDOMS WITHIN IRAN AND OF INDIVIDUAL HUMAN RIGHTS ABUSES, PARTICULARLY WITH REGARD TO WOMEN

Mr. BROWNBACK (for himself, Mr. WYDEN, Ms. COLLINS, Mr. DORGAN, Mr. GRASSLEY, Mr. CONRAD, Mr. SMITH of New Hampshire, and Mrs. BOXER) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 306

Whereas the people of the United States respect the Iranian people and value the contributions that Iran's culture has made to world civilization for over 3 millennia;

Whereas the Iranian people aspire to democracy, civil, political, and religious rights, and the rule of law, as evidenced by increasingly frequent antigovernment and anti-Khatami demonstrations within Iran and by statements of numerous Iranian expatriates and dissidents;

Whereas Iran is an ideological dictatorship presided over by an unelected Supreme Leader with limitless veto power, an unelected Expediency Council and Council of Guardians capable of eviscerating any reforms, and a President elected only after the aforementioned disqualified 234 other candidates for being too liberal, reformist, or secular;

Whereas the United States recognizes the Iranian peoples' concerns that President Muhammad Khatami's rhetoric has not been matched by his actions;

Whereas President Khatami clearly lacks the ability and inclination to change the behavior of the State of Iran either toward the vast majority of Iranians who seek freedom or toward the international community;

Whereas political repression, newspaper censorship, corruption, vigilante intimidation, arbitrary imprisonment of students, and public executions have increased since President Khatami's inauguration in 1997;

Whereas men and women are not equal under the laws of Iran and women are legally deprived of their basic rights;

Whereas the Iranian government shipped 50-tons of sophisticated weaponry to the Palestinian Authority despite Chairman Arafat's cease-fire agreement, consistently seeks to undermine the Middle East peace process, provides safe-haven to al-Qa'ida and Taliban terrorists, allows transit of arms for guerrillas seeking to undermine our ally Turkey, provides transit of terrorists seeking to destabilize the United States-protected safe-haven in Iraq, and develops weapons of mass destruction;

Whereas since the terrorist attacks of September 11, 2001, and despite rhetorical protestations to the contrary, the Government of Iran has actively and repeatedly sought to undermine the United States war on terror;

Whereas there is a broad-based movement for change in Iran that represents all sectors of Iranian society, including youth, women, student bodies, military personnel, and even religious figures, that is pro-democratic, believes in secular government, and is yearning to live in freedom;

Whereas following the tragedies of September 11, 2001, tens of thousands of Iranians filled the streets spontaneously and in solidarity with the United States and the victims of the terrorist attacks; and

Whereas the people of Iran deserve the support of the American people: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) legitimizing the regime in Iran stifles the growth of the genuine democratic forces in Iran and does not serve the national security interest of the United States;

(2) positive gestures of the United States toward Iran should be directed toward the people of Iran, and not political figures whose survival depends upon preservation of the current regime; and

(3) it should be the policy of the United States to seek a genuine democratic government in Iran that will restore freedom to the Iranian people, abandon terrorism, and live in peace and security with the international community.

Mr. WYDEN. Madam President, today we are resolved to see a new, rational foreign policy toward Iran, a policy that will engage the proud people of that nation and support their aspirations to be free of the theocratic state that abuses and oppresses them.

It is time that we recognized that the forces of extremist clerics and their allies have so completely dominated the government of Iran that there is no means to achieve political liberalization within the current system. While President Khatami has often spoken of liberalization, the last 5 years show that either he is unwilling or unable to effect any democratic change.

In fact, the record of his administration has been increasing censorship, religious vigilantes and intimidation, and wide-spread political repression. The State Department has identified systematic abuses including summary executions, disappearances, and widespread use of torture and other forms of degradation.

Student dissidents within Iran have become increasingly better organized, and have been faced with greater repression. The frequent demonstrations

by these students, women, and even religious dissidents, as well as the growing movements of expatriates show that there is a yearning for democratic change within the Iranian people. It should be a core value of our foreign policy to encourage and support any people who seek only the fundamental human freedoms laid out in our own bill of rights.

There is also self-interest involved in this move. The Iranian regime has been supplying arms and cadre to terrorist movements attacking our allies in Turkey, Armenia, and Israel, and has striven to be a destabilizing force throughout the middle-east and central Asia. This is not the fault of the Iranian people, but of a criminal class that dominates them and strangles their hopes for a peaceful and progressive future. In the days following the tragedy of September 11, it is the people of Iran who spontaneously filled the streets in shared grieving over the loss of American lives.

In dealing with Iran we must focus all of our efforts on the people, and their hopes for a free and democratic nation. The Voice of America, Radio Free Europe, and Radio Liberty must redouble their efforts to provide uncensored truth to the Iranian people. The State Department must cease lending legitimacy to the current regime and pursue a policy of fundamental democratic change; this administration must seek ways to aid and sustain those movements that will effect that change, to the benefit of the Iranian and American people alike.

SENATE CONCURRENT RESOLUTION 131—DESIGNATING THE MONTH OF NOVEMBER 2002, AS ''NATIONAL MILITARY FAMILY MONTH''

Mr. INOUYE submitted the following concurrent resolution; which was referred to the Committee on the Judiciary.

S. CON. RES. 131

Resolved by the Senate (the House of Representatives concurring), That Congress—

(1) designates the month of November 2002, as ''National Military Family Month''; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.

Mr. INOUYE. Madam President, today I rise to honor all our military families by submitting a Concurrent Resolution to designate November 2002, as National Military Family Month. As we all know, memories fade and the hardships experienced by our military families are easily forgotten unless they touch our own immediate family.

Today, we have our men and women deployed all over the world, engaged in this war on terrorism. These far-ranging military deployments are extremely difficult on the families who bear this heavy burden.

To honor these families the Armed Services YMCA has sponsored Military Family Week in late November since 1996. However, due to frequent 'short week' conflicts around the Thanksgiving holidays, the designated week has not always afforded enough time to schedule observance on and near our military bases.

I believe a month long observation will allow greater opportunity to plan events. Moreover, it will provide a greater opportunity to stimulate media support.

A Concurrent Resolution will help pave the way for this effort. I ask my colleagues to join me in supporting this tribute to our military families.

AMENDMENTS SUBMITTED AND PROPOSED

SA 4319. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes.

SA 4320. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill H.R. 5121, supra.

SA 4321. Mr. DURBIN (for Ms. LANDRIEU (for himself and Mr. DURBIN)) proposed an amendment to the bill H.R. 5121, supra.

SA 4322. Mr. DURBIN (for Mr. COCHRAN (for himself, Mr. DURBIN, and Mr. BENNETT)) proposed an amendment to the bill H.R. 5121, supra.

SA 4323. Mr. DURBIN (for Mr. SPECTER (for himself and Mr. DURBIN)) proposed an amendment to the bill H.R. 5121, supra.

SA 4324. Mr. DURBIN (for Mr. DODD) proposed an amendment to the bill H.R. 5121, supra.

SA 4325. Mr. DURBIN (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill S. 812, to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 4319. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes; as follows:

On page 33, lines 19 and 20, strike ''the Committee on House Administration of the House of Representatives,''.

On page 34, lined 24, through page 35, line 1, strike ''the Committee on House Administration of the House of Representatives,''.

SA 4320. Mr. DURBIN (for himself and Mr. BENNETT) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes; as follows:

On page 12, line 4, strike ''Board''.

On page 12, line 8, insert before the period '', to be disbursed by the Capitol Police''.

On page 12, line 10, strike ''Board''.

On page 12, line 20, strike ''Board or their delegee''.

On page 16, between lines 19 and 20, insert the following:

''This subsection shall not apply to an individual who is an employee of the Capitol Police immediately before the appointment.''

On page 25, add after line 25 the following:

SEC. 109A. PROVISIONS RELATING TO HIRING AND COMPENSATION OF CAPITOL HILL POLICE.

(a) RECRUITMENT OF INDIVIDUALS WITHOUT REGARD TO AGE.—

(1) IN GENERAL.—The Chief of the Capitol Police shall carry out any activities and programs to recruit individuals to serve as members of the Capitol Police without regard to the age of the individuals.

(2) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to affect any provision of law of any rule or regulation providing for the mandatory separation of members of the Capitol Police on the basis of age, or any provision of law or any rule or regulation regarding the calculation of retirement or other benefits for members of the Capitol Police.

(b) RECRUITMENT AND RELOCATION BONUSES, RETENTION BONUSES, AND TUITION ALLOWANCES.—

(1) RECRUITMENT AND RELOCATION BONUSES.—Section 909(a) of chapter 9 of the Emergency Supplemental Act, 2002 (40 U.S.C. 207b–2; Public Law 107–117; 115 Stat. 2320) (in this section referred to as the ''Act'') is amended—

(A) in paragraph (1), by striking ''the Board determines that the Capitol Police would be likely, in the absence of such a bonus, to encounter difficulty in filling the position'' and inserting ''the Chief, in the Chief's sole discretion, determines that such a bonus will assist the Capitol Police in recruitment efforts''; and

(B) by adding at the end the following:

''(6) DETERMINATIONS NOT APPEALABLE OR REVIEWABLE.—Any determination of the Chief under this subsection shall not be appealable or reviewable in any manner.''

(2) RETENTION ALLOWANCES.—Section 909(b) of the Act is amended—

(A) in paragraph (1)—

(i) by striking subparagraphs (A) and (B); and

(ii) by striking ''if—'' and inserting ''if the Chief, in the Chief's sole discretion, determines that such a bonus will assist the Capitol Police in retention efforts.''; and

(B) in paragraph (3), by striking ''the reduction or the elimination of a retention allowance may not be appealed'' and inserting ''any determination of the Chief under this subsection, or the reduction or elimination of a retention allowance, shall not be appealable or reviewable in any manner''.

(3) TUITION ALLOWANCES.—Section 909 of the Act is amended—

(A) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(B) by inserting after subsection (e) the following:

''(f) TUITION ALLOWANCES.—The Chief of the Capitol Police may pay tuition allowances for payment or reimbursement of education expenses in the same manner and to the same extent as retention allowances under subsection (b).''

(c) AUTHORIZING PREMIUM PAY TO ENSURE AVAILABILITY OF PERSONNEL.—

(1) IN GENERAL.—The Chief of the Capitol Police may provide premium pay to officers and members of the Capitol Police to ensure the availability of such officers and members for unscheduled duty in excess of a 40-hour work week, based on the needs of the Capitol Police, in the same manner and subject to the same terms and conditions as premium pay provided to criminal investigators under section 5545a of title 5, United States Code (subject to paragraph (2)).

(2) CAP ON TOTAL AMOUNT PAID.—Premium pay for an officer or member under this subsection may not be paid in a calendar year to the extent that, when added to the total basic pay paid or payable to such officer or member for service performed in the year,

such pay would cause the total to exceed the annual rate of basic pay payable for level II of the Executive Schedule, as of the end of such year.

(d) EFFECTIVE DATE AND REGULATIONS.—

(1) EFFECTIVE DATE.—The provisions of, and the amendments made by, this section shall apply to fiscal year 2003 and each fiscal year thereafter.

(2) REGULATIONS.—

(A) IN GENERAL.—Notwithstanding section 909(g) of chapter 9 of the Emergency Supplemental Act, 2002 (40 U.S.C. 207b–2), the Chief of the Capitol Police shall, not later than 60 days after the date of the enactment of this Act, promulgate any regulations required to carry out the provisions of, and the amendments made by, this section and sections 105, 106, and 107.

(B) REVIEW AND APPROVAL.—

(i) REVIEW.—The Chief shall submit regulations prescribed under subparagraph (A) to the Capitol Police Board for review.

(ii) APPROVAL.—The regulations prescribed under subparagraph (A) shall be subject to the approval of the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives.

SEC. 109B. TRANSFER OF DISBURSING FUNCTION.

(a) IN GENERAL.—

(1) DISBURSING OFFICER.—The Chief of the Capitol Police shall be the disbursing officer for the Capitol Police. Any reference in any law or resolution before the date of enactment of this section to funds paid or disbursed by the Chief Administrative Officer of the House of Representatives and the Secretary of the Senate relating to the pay and allowances of Capitol Police officers, members, and employees shall be deemed to refer to the Chief of the Capitol Police.

(2) TRANSFER.—Any statutory function, duty, or authority of the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate as disbursing officers for the Capitol Police shall transfer to the Chief as the single disbursing officer for the Capitol Police.

(3) CONTINUITY OF FUNCTION.—Until such time as the Chief notifies the Chief Administrative Officer of the House of Representatives and the Secretary of the Senate that systems are in place for discharging the disbursing functions under this subsection, the House of Representatives and the Senate shall continue to serve as the disbursing authority on behalf of the Capitol Police.

(b) TREASURY ACCOUNTS.—

(1) SALARIES.—There is established in the Treasury of the United States a separate account for the Capitol Police, into which shall be deposited appropriations received by the Chief of the Capitol Police and available for the salaries of the Capitol Police.

(2) GENERAL EXPENSES.—There is established in the Treasury of the United States a separate account for the Capitol Police, into which shall be deposited appropriations received by the Chief of the Capitol Police and available for the general expenses of the Capitol Police.

(c) TRANSFER OF FUNDS, ASSETS, ACCOUNTS, RECORDS, AND AUTHORITY.—

(1) IN GENERAL.—The Chief Administrative Officer of the House of Representatives and the Secretary of the Senate are authorized and directed to transfer to the Chief of the Capitol Police all funds, assets, accounts, and copies of original records of the Capitol Police that are in the possession or under the control of the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate in order that all such items may be available for the unified operation of the Capitol Police. Any funds so transferred shall be deposited in the Treasury accounts established under subsection (b) and be available to the Chief for the same purposes as, and in like manner and subject to the same conditions as, the funds prior to the transfer.

(2) EXISTING TRANSFER AUTHORITY.—Any transfer authority existing before the date of enactment of this Act granted to the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate for salaries, expenses, and operations of the Capitol Police shall be transferred to the Chief.

(d) UNEXPENDED BALANCES.—Notwithstanding the provisions of any other law, the unexpended balances of appropriations for the fiscal year 2003 and succeeding fiscal years that are subject to disbursement by the Chief of the Capitol Police shall be withdrawn as of September 30 of the second fiscal year following the period or year for which provided. Unpaid obligations chargeable to any of the balances so withdrawn or appropriations for prior years shall be liquidated from any appropriations for the same general purpose, which, at the time of payment, are available for disbursement.

(e) HIRING AUTHORITY; ELIGIBILITY FOR SAME BENEFITS AS HOUSE EMPLOYEES.—

(1) AUTHORITY.—

(A) IN GENERAL.—Subject to subparagraph (B), the Chief of the Capitol Police, in carrying out the duties of office, is authorized to appoint, hire, discharge, and set the terms, conditions, and privileges of employment of officers, members, and employees of the Capitol Police, subject to and in accordance with applicable laws and regulations.

(B) REVIEW OR APPROVAL.—In carrying out the authority provided under this paragraph, the Chief of the Capitol Police shall be subject to the same statutory requirements for review or approval by committees of Congress that were applicable to the Capitol Police Board on the day before the date of enactment of this Act.

(2) BENEFITS.—Officers, members, and employees of the Capitol Police who are appointed by the Chief under the authority of this subsection shall be subject to the same type of benefits (including the payment of death gratuities, the withholding of debt, and health, retirement, Social Security, and other applicable employee benefits) as are provided to employees of the House of Representatives, and any such individuals serving as officers, members, and employees of the Capitol Police as of the date of enactment of this Act shall be subject to the same rules governing rights, protections, pay, and benefits in effect immediately before such date until such rules are changed under applicable laws or regulations.

(f) WORKER'S COMPENSATION.—

(1) ACCOUNT.—There shall be established a separate account in the Capitol Police for purposes of making payments for officers, members, and employees of the Capitol Police under section 8147 of title 5, United States Code.

(2) PAYMENTS WITHOUT FISCAL YEAR LIMITATION.—Notwithstanding any other provision of law, payments may be made from the account established under paragraph (1) of this subsection without regard to the fiscal year for which the obligation to make such payments is incurred.

(g) EFFECT ON EXISTING LAW.—

(1) IN GENERAL.—The provisions of this section shall not be construed to reduce the pay or benefits of any officer, member, or employee of the Capitol Police whose pay was disbursed by the Chief Administrative Officer of the House of Representatives or the Secretary of the Senate before the date of enactment of this Act.

(2) SUPERSEDING PROVISIONS.—All provisions of law inconsistent with this section are hereby superseded to the extent of the inconsistency.

(h) CONFORMING AMENDMENTS.—(1) Section 1821 of the Revised Statutes of the United States (40 U.S.C. 206) is amended by striking the third sentence.

(2) Section 1822 of the Revised Statutes of the United States (40 U.S.C. 207) is repealed.

(3) Section 111 of title I of the Act entitled ''Making supplemental appropriations for the fiscal year ending September 30, 1977, and for other purposes'', approved May 4, 1977 (2 U.S.C. 64–3), is amended—

(A) by striking ''Secretary of the Senate'' and inserting ''Chief of the Capitol Police''; and

(B) by striking ''United States Senate'' and inserting ''Capitol Police''.

(i) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect October 1, 2002, or the date of enactment of this Act, whichever is later, and shall apply to the fiscal year in which such date occurs and each fiscal year thereafter.

SA 4321. Mr. DURBIN (for Ms. LANDRIEU (for himself and Mr. DURBIN)) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes; as follows:

On page 44, line 24, before the period, insert the following: '':*Provided further*, That, of the total amount appropriated, $500,000 shall remain available until expended and shall be equally divided and transferred to the Alexandria Museum of Art and the New Orleans Museum of Art for activities relating to the Louisiana Purchase Bicentennial Celebration''

SA 4322. Mr. DURBIN (for Mr. COCHRAN (for himself, Mr. DURBIN, and Mr. BENNETT)) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes; as follows:

On page 28, line 11, strike ''$108,743,000'' and insert ''$108,243,000''.

On page 63, insert between lines 10 and 11 the following:

SEC. 312. TITLE II OF THE CONGRESSIONAL AWARD ACT.

There are appropriated, out of any funds in the Treasury not otherwise appropriated, $500,000, to remain available until expended, to carry out title II of the Congressional Award Act (2 U.S.C. 811 et seq.).

SA 4323. Mr. DURBIN (for Mr. SPECTER (for himself and Mr. DURBIN)) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes; as follows:

On page 5, line 26, insert before the period '',of which up to $500,000 shall be made available for a pilot program for mailings of postal patron postcards by Senators for the purposes of providing notice of a town meeting by a Senator in a county (or equivalent unit of local government) with a population of less than 250,000 and at which the Senator will personally attend: Provided, That any amount allocated to a Senator for such mailing shall not exceed 50 percent of the cost of the mailing and the remaining cost shall be paid by the Senator from other funds available to the Senator: Provided further, That not later than October 31, 2003, the Sergeant at Arms and Doorkeeper of the Senate shall

submit a report to the Committee on Rules and Administration and Committee on Appropriations of the Senate on the Senate of the program''.

SA 4324. Mr. DURBIN (for Mr. DODD) proposed an amendment to the bill H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, and for other purposes; as follows:

On page 9, between lines 17 and 18, insert:

SEC. ___. PUBLIC SAFETY EXCEPTION TO INSCRIPTIONS REQUIREMENT ON MOBILE OFFICES.

(a) IN GENERAL.—Section 3(f)(3) under the heading ''ADMINISTRATIVE PROVISIONS'' in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1975 (2 U.S.C. 59(f)(3)) is amended by adding at the end the following flush sentence:

''The Committee on Rules and Administration of the Senate may prescribe regulations to waive or modify the requirement under subparagraph (B) if such waiver or modification is necessary to provide for the public safety of a Senator and the Senator's staff and constituents.''

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of enactment of this Act and apply to the fiscal year that includes such date and each fiscal year thereafter.

SA 4325. Mr. DURBIN (for himself and Mr. VOINOVICH) submitted an amendment intended to be proposed by him to the bill S. 812, to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. COLLECTION OF PRESCRIPTION DRUG PRICES; CALCULATION OF AVERAGE RETAIL PRICES; CONSUMER GUIDE TO PRESCRIPTION DRUGS.

(a) PURPOSES.—The purposes of this section are the following:

(1) To provide beneficiaries under the medicare program under title XVIII of the Social Security Act with information on the prices of prescription drugs so that they can decide, in consultation with their health care providers, whether a brand name drug or its therapeutic or generic equivalent would be appropriate.

(2) To provide information to health care providers on the prices of prescription drugs and the generic equivalents of such drugs.

(3) To inform beneficiaries under the medicare program of the role of the Food and Drug Administration in ensuring that generic drugs are as safe as brand name drugs and equivalent to brand name drugs.

(b) CALCULATION OF AVERAGE RETAIL PRICES.—

(1) COLLECTION OF RETAIL PRESCRIPTION DRUG PRICES.—

(A) RETAIL PRICES OF 200 MOST COMMONLY USED DRUGS BY MEDICARE BENEFICIARIES.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall establish a process for the collection of sample data nationwide on the retail prices of the 200 most commonly used prescription drugs by beneficiaries under the medicare program.

(B) RETAIL PRICES OF ADDITIONAL DRUGS.—The process established under paragraph (1) may provide for the collection of retail prices on prescription drugs not described in such paragraph if the Secretary determines that such collection is feasible and would be beneficial to beneficiaries under the medicare program and their health care providers.

(2) CALCULATION OF AVERAGE RETAIL PRICES.—Using the data collected under paragraph (1), the Secretary shall calculate an average retail price for each prescription drug for which data is collected under such subsection.

(3) AUTHORITY TO CONTRACT WITH A PRIVATE ENTITY TO COLLECT DATA AND CALCULATE PRICES.—If determined appropriate by the Secretary, the Secretary may contract with a private entity to—

(A) collect the data under paragraph (1); and

(B) make the calculations under paragraph (2).

(c) CONSUMER GUIDE TO PRESCRIPTION DRUGS.—

(1) IN GENERAL.—The Secretary shall—

(A) annually publish a Consumer Guide to Prescription Drugs;

(B) annually distribute such Guide to beneficiaries under the medicare program;

(C) make such Guide available to health care providers; and

(D) maintain the information contained in such Guide on the Medicare Internet site of the Department of Health and Human Services.

(2) REQUIREMENTS.—The Consumer Guide to Prescription Drugs established under paragraph (1) shall, with respect to the drugs for which data is collected under subsection (b)—

(A) provide beneficiaries under the medicare program and health care providers with—

(i) easy-to-understand information about such prescription drugs and information on the requirement under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.) that a generic drug be bioequivalent to the brand name drug for which it is a substitute; and

(ii) information to assist such beneficiaries and providers in comparing the costs of such prescription drugs by therapeutic category; and

(iii) information regarding the wide variation in drug prices across the country;

(B) group such prescription drugs within their therapeutic classes;

(C) identify generic equivalents where available for brand name drugs in a manner that allows the beneficiary and the health care provider to compare the relative prices of generic and brand name drugs; and

(D) include a list of the average retail price of each such prescription drug (as determined under subsection (b)).

(3) TIMEFRAME.—The Secretary shall publish the Consumer Guide to Prescription Drugs within 24 months of the date of enactment of this Act and shall publish an updated version of the Guide annually thereafter. The Secretary may publish periodic bulletins to such Guide that reflect changes in the prices of prescription drugs in the Guide between the dates of annual publication of the Guide.

(4) INCLUSION IN MEDICARE HANDBOOK.—If the Secretary determines that it is appropriate to do so, the Secretary may publish the Consumer Guide to Prescription Drugs as part of the notice of medicare benefits required by section 1804(a) of the Social Security Act (42 U.S.C. 1395b–2(a)).

(d) GENERIC DRUG DEFINED.—In this section, the term ''generic drug'' means—

(1) a drug approved under subsection (b)(2) or (j) of section 505 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355) and for which the brand name drug is the listed drug for the drug approved under such a subsection; and

(2) a drug that the Secretary has determined is therapeutically equivalent to a drug described in paragraph (1) that is not a brand name drug.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

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

The hearing will take place on Wednesday, August 7, 2002, from 9:00 a.m. until 11:00 a.m. at the Genoveva Chavez Community Center, 3221 Rodeo Road, in Santa Fe, New Mexico.

The purpose of the hearing is to receive testimony on S. 2776, a bill to provide for the protection of archaeological sites in the Galisteo Basin in New Mexico, and for other purposes.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 312 Dirksen Senate Office Building, Washington, DC 20510, or to Senator Bingaman's office in Santa Fe, 119 E. Marcy Street, Suite 101, Santa Fe, NM 87501.

For further information, please contact David Brooks of the Committee staff at (202) 224–4103.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, July 25, 2002, at 9:30 a.m., in open session to receive testimony on the national security implications of the strategic offensive reductions treaty.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 25, 2002, immediately following the first rollcall vote, to conduct a mark up on the nominations of Mr. Paul S. Atkins, of Virginia, to be a member of the Securities and Exchange Commission; Mr. Harvey Jerome Goldschmid, of New York, to be a member of the Securities and Exchange Commission; Ms. Cynthia A. Glassman, of Virginia, to be a member of the Securities and Exchange Commission; and Mr. Roel C. Campos, of Texas, to be a member of the Securities and Exchange Commission.

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

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, July 25, 2002, at 9:30 a.m. on aviation security in transition.

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

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Thursday, July 25, 2002, at 11:00 a.m. to consider pending legislation, nominations, and resolutions. The meeting will be held in SD–406.

Agenda

Legislation:

S. 1602, the Chemical Security Act of 2001

S. 1746, the Nuclear Security Act of 2001

S. 1850, the Underground Storage Tank Compliance Act of 2001

S. 2771, the John F. Kennedy Center Plaza Authorization Act of 2002

Nominations:

Nomination of John S. Bresland to be a Member and Chair of the Chemical Safety and Hazard Investigation Board

Nomination of Carolyn W. Merritt to be a Member and Chair of the Chemical Safety and Hazard Investigation Board

Nomination of John P. Suarez to be Assistant Administrator for Enforcement and Compliance, Environmental Protection Agency

Resolutions:

Study Resolution for Brush Creek Basin, Kansas and Missouri

Study Resolution for Walton County, Florida

Study Resolution for Mercer County, New Jersey

Study Resolution for Camden and Gloucester Counties, New Jersey

Study Resolution for Indian River and Bay, Delaware

Study Resolution for Sand Creek, Oklahoma

Study Resolution for Shellpot Creek, Delaware

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

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 25, 2002 at 10:30 a.m. to hold a business meeting.

Agenda

The Committee will consider and vote on the following agenda items:

Treaties:

1. Treaty Doc. 96–53, Convention on the Elimination of All Forms of Discrimination Against Women, adopted by the U.N. General Assembly on December 18, 1979, and signed on behalf of the United States of America on July 17, 1980.

2. Treaty Doc. 105–32, An agreement Establishing the South Pacific Regional Environment Programme, done at Apia on June 16, 1993.

3. Treaty Doc. 105–53, A Treaty Between the Government of the United States of America and the Government of Niue on the Delimitation of a Maritime Boundary.

Legislation:

4. S. Res. 300, A resolution encouraging the peace process in Sri Lanka, with amendments.

Nominations:

5. Mr. Randolph Bell, of Virginia, for the rank of Ambassador during his tenure of service as Special Envoy for Holocaust Issues.

6. Mr. James Gadsden, of Maryland, to be Ambassador to the Republic of Iceland.

7. Mr. James Jeffrey, of Virginia, to be Ambassador to the Republic of Albania.

8. Mr. Michael Klosson, of Maryland, to be Ambassador to the Republic of Cyprus.

9. Mr. Norman J. Pattiz, of California, to be a Member of the Broadcasting Board of Governors for a term expiring August 13, 2004.

10. Mr. Paul Speltz, of Texas, to be United States Executive Director of the Asian Development Bank, with the rank of Ambassador.

11. Mr. Mark Sullivan, III, of Maryland, to be United States Executive Director of the European Bank for Reconstruction and Development.

12. Mr. Kenneth Y. Tomlinson, of Virginia, to be a Member and Chairman of the Broadcasting Board of Governors for a term expiring August 13, 2004.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, July 25, 2002 at 9:30 a.m. for a business meeting to consider pending business.

Agenda

1. To authorize withdrawal of the Committee amendments and offering of a floor amendment in the nature of a substitute to the National Homeland Security and Combating Terrorism Act of 2002 (S. 2452) which the Committee ordered reported on May 22, 2002.

Nominations:

a. James ''Jeb'' E. Boasberg to be an Associate Judge of the Superior Court of the District of Columbia.

b. Michael D. Brown to be Deputy Director of the Federal Emergency Management Agency.

c. The Honorable Mark W. Everson to be Deputy Director for Management, Office for Management and Budget

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on Violence against Women in the Workplace: The Extent of the Problem and What Government and Businesses Are Doing About It, during the session of the Senate on Thursday, July 25, 2002 at 10:00 a.m. in SD–430.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, July 25, 2002, at 10:00 a.m. in Room 485 of the Russell Senate Office Building to conduct a hearing on the July 2, 2002 Report of the U.S. Department of the Interior to the Congress on the Historical Accounting of Individual Indian Money Accounts.

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

COMMITTEE ON THE JUDICIARY

Mr. REID. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a hearing on ''Oversight of the Department of Justice,'' on Thursday, July 25, 2002 in Dirksen Room 226 at 10:00 a.m.

Witness List

The Honorable John D. Ashcroft, Attorney General, Department of Justice, Washington, DC.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. REID. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, July 25, 2002 at 10:00 a.m. to hold a closed hearing on the Joint Inquiry into the events of September 11, 2001.

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

SUBCOMMITTEE ON PUBLIC LANDS AND FORESTS

Mr. REID. Mr. President, I ask unanimous consent that the Public Lands and Forests Subcommittee of the Committee on Energy and Natural Resources be authorized to hold a Hearing during the session of the Senate on Thursday, July 25, at 2:30 p.m. in SD–366.

The purpose of this hearing is to receive testimony on S. 2672, to provide opportunities for collaborative restoration projects on National Forest System and other public lands.

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

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate

proceed to executive session to consider the following nominations en bloc: Calendar Nos. 829, 830, 832, 837, 838, 839, 841, 842, 843, 844, 845, 931, 932, 933, and 934.

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

Mr. REID. I further ask that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table; and any statements be printed in the Record; that the President be immediately notified of the Senate's action; and that the Senate then return to legislative session, with the preceding all occurring without any intervening action or debate.

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

The nominations were considered and confirmed en bloc, as follows:

CONSUMER PRODUCT SAFETY COMMISSION

Harold D. Stratton, of New Mexico, to be Chairman of the Consumer Products Safety Commission.

Harold D. Stratton, of New Mexico, to be a Commissioner of the Consumer Product Safety Commission for the remainder of the term expiring October 26, 2006.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Anthony Lowe, of Washington, to be Federal Insurance Administrator, Federal Emergency Management Agency.

THE JUDICIARY

Robert R. Rigsby, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

DISTRICT OF COLUMBIA OFFENDER SUPERVISION, DEFENDER, AND COURTS SERVICES AGENCY

Paul A. Quander, Jr., of the District of Columbia, to be Director of the District of Columbia Offender Supervision, Defender, and Courts Services Agency for a term of six years.

DEPARTMENT OF JUSTICE

Todd Walther Dillard, of Maryland, to be United States Marshal for the Superior Court of the District of Columbia for the term of four years.

DEPARTMENT OF JUSTICE

Roslynn R. Mauskopf, of New York, to be United States Attorney for the Eastern District of New York for the term of four years.

Steven D. Deatherage, of Illinois, to be United States Marshal for the Central District of Illinois for the term of four years.

Thomas M. Fitzgerald, of Pennsylvania, to be United States Marshal for the Western District of Pennsylvania for the term of four years.

G. Wayne Pike, of Virginia, to be United States Marshal for the Western District of Virginia for the term of four years.

David William Thomas, of Delaware, to be United States Marshal for the District of Delaware for the term of four years.

SECURITIES AND EXCHANGE COMMISSION

Paul S. Atkins, of Virginia, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 2003.

Cynthia A. Glassman, of Virginia, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2006.

Harvey Jerome Goldschmid, of New York, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 2004.

Roel C. Campos, of Texas, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2005.

THE NOMINATION OF DAVID WILLIAM THOMAS TO BE US MARSHAL FOR THE DISTRICT OF DELAWARE.

Mr. CARPER. Madam President, I rise to enthusiastically support the nomination of David William Thomas to be the next United States Marshal for the District of Delaware.

It has been my pleasure to know Sgt. Thomas for many years. He is a good and decent person, a devoted and committed husband and father, a fine police officer, a volunteer fire fighter and an all around ''great guy.'' I believe he will serve both Delaware and the United States very, very well.

''Tito,'' as many call him, has been a police officer for more than 20 years. He began his career as a patrol officer with the University of Delaware Police where he quickly developed a reputation for firmness in his enforcement of the law and university policy as well as for sensitivity to the particular needs and concerns of the student body. After three years, Sgt. Thomas moved to the Delaware State Police where he served in several different capacities ranging from Patrol Trooper, where the rubber literally hits the road, to public information officer, interacting with the public and the media.

During his tenure with the State Police, ''Tito'' Thomas worked directly for two governors of Delaware. During the second term of former Governor Mike Castle who is now Delaware's congressman, Sgt. Thomas provided security as a member of the Executive Protection Unit. During my own second term as Governor, ''Tito'' served as Legislative Liaison for my Department of Public Safety, promoting public safety legislation in our state general assembly.

In addition to his employment as a police officer, Sgt. Thomas has served his community as a volunteer in other capacities. Notably, he is a member of the Aetna Hose Hook and Ladder Volunteer Fire Company in Newark, Delaware and a volunteer CPR Instructor with the American Heart Association.

David Thomas' extensive and varied background in law enforcement, his demonstrated sense of commitment to his community, his devotion to his growing family and his exemplary moral character all serve to qualify him well to be United States Marshall for the District of Delaware.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will retire to legislative session.

APPOINTMENTS

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to P.L. 103–227, appoints the following individual to the National Skill Standards Board for a term of four years: Upon the recommendation of the Republican Leader: Betty W. DeVinney of Tennessee, Representative of Business.

The Chair, on behalf of the Republican Leader, pursuant to Public Law 107–171, announces the appointment of Mr. Robert H. Forney, of Indiana, to serve as a member of the Board of Trustees of the Congressional Hunger Fellows Program.

MEASURE READ THE FIRST TIME—H.R. 4965

Mr. REID. It is my understanding H.R. 4965 is now at the desk. I therefore ask for its first reading.

The PRESIDING OFFICER. The clerk will read the bill by title for the first time.

The assistant legislative clerk read as follows:

A bill (H.R. 4965) to prohibit the procedure commonly known as partial-birth abortion.

Mr. REID. I now ask for the second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

ORDERS FOR FRIDAY, JULY 26, 2002

Mr. REID. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:55 a.m., Friday, July 26; that following the prayer and the pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to executive session to vote on cloture on Executive Calendar No. 810.

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

Mr. REID. The next rollcall vote will occur at approximately 10 a.m. on cloture on the nomination of Julia Smith Gibbons to be United States Circuit Judge for the Sixth Circuit and a second rollcall vote on an additional judicial nomination is possible tomorrow.

ADJOURNMENT UNTIL 9:55 A.M. TOMORROW

Mr. REID. If there is no further business to come before the Senate, I now ask unanimous consent the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:59 p.m., adjourned until Friday, July 26, 2002, at 9:55 a.m.

NOMINATIONS

Executive nominations received by the Senate July 25, 2002:

THE JUDICIARY

JEFFREY S. WHITE, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA, VICE CHARLES A. LEGGE, RETIRED.

KENT A. JORDAN, OF DELAWARE, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF DELAWARE, VICE RODERICK R. MCKELVIE, RETIRED.

SANDRA J. FEUERSTEIN, OF NEW YORK, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK, VICE THOMAS C. PLATT, JR., RETIRED.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE

AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 8036 AND 601:

To be lieutenant general

MAJ. GEN. GEORGE P. TAYLOR JR., 0000

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. RICHARD A. CODY, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. BANTZ J. CRADDOCK, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. WILLIAM E. WARD, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIG. GEN. WILLIAM S. CRUPE, 0000

THE FOLLOWING ARMY NATIONAL GUARD OFFICERS FOR APPOINTMENT IN THE RESERVE OF THE ARMY TO THE GRADES INDICATED UNDER TITLE 10, U.S.C., SECTION 12203:

To be major general

BRIGADIER GENERAL HARRY B. BURCHSTEAD JR., 0000
BRIGADIER GENERAL GEORGE A. BUSKIRK JR., 0000
BRIGADIER GENERAL JAMES A. COZINE, 0000
BRIGADIER GENERAL RICKY D. ERLANDSON, 0000
BRIGADIER GENERAL GREGORY J. VADNAIS, 0000

To be brigadier general

COLONEL BRUCE E. BECK, 0000
COLONEL RICHARD M. BLUNT, 0000
COLONEL TOD J. CARMONY, 0000
COLONEL MICHAEL J. CURTIN, 0000
COLONEL HUNTINGTON B. DOWNER JR., 0000
COLONEL MICHAEL P. FLEMING, 0000
COLONEL RALPH R. GRIFFIN, 0000
COLONEL GREGORY A. HOWARD, 0000
COLONEL ARTHUR V. JEWETT, 0000
COLONEL MICHAEL A. KIEFER, 0000
COLONEL THOMAS C. LAWING, 0000
COLONEL JOHN E. LEATHERMAN, 0000
COLONEL HERBERT L. NEWTON, 0000
COLONEL PATRICK M. O'HARA, 0000
COLONEL DARREN G. OWENS, 0000
COLONEL STEWART A. REEVE, 0000
COLONEL LAWRENCE H. ROSS, 0000
COLONEL TERRY W. SALTSMAN, 0000
COLONEL JOHN E. SAYERS JR., 0000
COLONEL THEODORE G. SHUEY JR., 0000
COLONEL ANTHONY M. STANICH JR., 0000
COLONEL ROBIN C. TIMMONS, 0000
COLONEL JODI S. TYMESON, 0000
COLONEL EDWARD L. WRIGHT, 0000
COLONEL MARK E. ZIRKELBACH, 0000

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR A REGULAR APPOINTMENT IN THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U. S. C., SECTION 531:

To be colonel

BUENAVENTURA Q. ALDANA, 0000
EDWARD TAXIN, 0000
ANDREW W. TICE, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To Be Lieutenant Colonel

SUSAN S. BAKER, 0000
CAROLYN M. BELL, 0000
JOSEPH P. BURGER III, 0000
DONALD COLE, 0000
CORI A. CULVER, 0000
KENNETH R. DARLING, 0000
ARTHUR R. DAVENPORT JR., 0000
KATHRYN D. DRAKE, 0000
JOHN L. FLYNN, 0000
DAVID W. GARRISON, 0000
HENRI T. HAMMOND, 0000
RICHARD C. HART, 0000
LORN W. HEYNE, 0000
JOSEPH C. KENNEDY, 0000
KRZYSZTOF KRAS, 0000
JOHN M. LOPARDI, 0000
STEVEN S. LOWRY, 0000
TROY P. MCGILVRA, 0000
RICHARD A. MCMILLAN, 0000
DONALD T. MOLNAR, 0000
CHARLES W. NELSEN, 0000
WILLIAM D. PARKER, 0000
MICHELLE N. PELL, 0000
DAVID W. PFAFFENBICHLER, 0000
ROBERT F. ROCCO, 0000
JAIME L. ROSADO JR., 0000
DAWN E. ROWE, 0000
SCOTT J. SANCHEZ, 0000
MICHELE M. SCHOTT, 0000
JIMMY L. STERLING, 0000
RICHARD N. TERRY, 0000
PORTIA A. THOMAS, 0000
JUDITH E. VALDEZ, 0000
TIMOTHY VALLADARES, 0000
KIRSTEN F. WATKINS, 0000
JON C. WELCH, 0000
GILMER G. WESTON III, 0000

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

ANTONIO CORTESSANCHEZ, 0000
KIMBERLY D. WILSON, 0000

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

HENRY G. BERNREUTER, 0000
LAWRENCE W. BROCK III, 0000
MATTHEW B. CHANDLER, 0000
MARK C. CHUN, 0000
ANTHONY C. CRAWFORD, 0000
EDDIE H. GOFF, 0000
JESUS G. RAMIREZ JR., 0000
MARK D. SCRABA, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY DENTAL CORPS, UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be major

RALF C BEILHARDT, 0000
ROBERT E BESSEY, 0000
JOHN E BROCK, 0000
EDA P DEMETRIUS, 0000
WILLIAM J GREENWOOD, 0000
THEODORE R GRIGG, 0000
IKE B HARDY, 0000
DOXIADES A HILL, 0000
HERMANN F HINZE, 0000
PHUONG C HUYNH, 0000
CHRISTOPHER S LEA, 0000
WILLIAM K LIN, 0000
TAWANNA MCGHEE, 0000
RICHARD RITTER V, 0000
JEAN C SENECAL, 0000
JAMES M SUTTON, 0000
TIMOTHY J SWANSON, 0000
JOHN T THOMPSON, 0000
EDWARD J VANISKY, 0000
BRUCE M WHEELER, 0000
RICHARD L WILLIAMS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY MEDICAL CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be major

MICHAEL P ABEL, 0000
VICTOR A AGNELLO, 0000
ELIZABETH G AKAKA, 0000
MICHAEL C ALBRECHT, 0000
WARREN L ALEXANDER, 0000
HERMINEE ALEXANIAN, 0000
RONALD D ALLEN, 0000
JOHN G ALLRED, 0000
CRAIG J AMNOTT, 0000
JIMIE D ANDERSON, 0000
CHRISTOPHER D APPLETON, 0000
MARIA E ARCILA, 0000
EDWARD H BAILEY, 0000
TIMOTHY J BALLING, 0000
KATHERIN BALTURSHOT, 0000
CHRISTINA M BALUM, 0000
DONALD A BALUN, 0000
BRIAN E BARDEN, 0000
JEFFREY G BARNES, 0000
LEE J BARTON, 0000
STEVEN E BATTLE, 0000
CHRISTOPHER J BENNETT, 0000
JOHN A BENSON, 0000
JEROME V BENZ JR., 0000
KENNETH R BERGMAN, 0000
RICHARD A BICKEL JR., 0000
PHILIP J BILLONI, 0000
RACHEL J BISHOP, 0000
WILLIAM B BIVENS, 0000
ROBERT B BLANKENSHIP, 0000
SCOTT C BLEDSOE, 0000
DENNIS E BLEY, 0000
JASON A BOARDMAN, 0000
JESSE D BOLTON, 0000
GREGORY T BRAMBLETT, 0000
STEPHEN A BRASSELL, 0000
LORANEE E BRAUN, 0000
SCOTT E BRIETZKE, 0000
WILLIAMS Q BRITTON, 0000
STEPHEN J BUETOW, 0000
JOHN M BURBIDGE, 0000
RICHARD O BURNEY, 0000
DAVID M BUSHLEY, 0000
ARTHUR L CAMPBELL III, 0000
ROBERT A CARDONA, 0000
DAVID J CASEY, 0000
JOHN R CHANCE, 0000
DIANE M CHIRICO, 0000
CHARLES J CHITWOOD, 0000
GREGORY T CHOE, 0000
ANNETTE R CLARKBROWN, 0000
DAVID W COLE, 0000
MICHAEL A COLE, 0000
JAMES P COLEMAN III, 0000
GEORGE R COLLINS, 0000
JOHN W COLLINS, 0000
BRENDON R CONNOLLY, 0000
ALAN D CONWAY, 0000
PATRICK R COOK, 0000
CHRISTOPHER R COTE, 0000
RICHARD J CRETTELA, 0000
ROBERT F CROWE, 0000
PAUL J CUNNINGHAM, 0000
GREGORY G DAMMANN, 0000
COLIN Y DANIELS, 0000
JASMINE T DANIELS, 0000
KURT G DAVIS, 0000
RUSSELL O DAVIS, 0000
JEFFREY A DEAN, 0000
CARL W DECKER, 0000
RHONDA DEEN, 0000
SHAD H DEERING, 0000
KENT J DEZEE, 0000
BRIAN P DEZZUTTI, 0000
CHARLES S DIETRICH III, 0000
ANDREW E DOYLE, 0000
GARY P DUPUY, 0000
TRECIA L ELAHEE, 0000
MICHAEL W ELLIS, 0000
BARRY R FLEISCHER, 0000
MICHELLE S FLORES, 0000
JAN H FLOYD, 0000
ANTHONY M FOLEY, 0000
LOUIS F FOLEY, 0000
BRUCE M FOOTIT, 0000
FRANKLIN W FREDERICK, 0000
MARK C FRIBERG, 0000
TODD A FUNKHOUSER, 0000
PAUL D GARRETT, 0000
CASEY J GEANEY, 0000
PHILIP J GENTLESK, 0000
JAMES J GERACCI, 0000
LYNN M GIARRIZZO, 0000
KELLY R GILLESPIE, 0000
MELISSA L GIVENS, 0000
NICHOLE R GLASS, 0000
LISA B GOFF, 0000
RAYMOND G GOOD, 0000
ERIC J GOURLEY, 0000
JOSEPH D GRAMLING, 0000
JENNIFER A GRECO, 0000
BRETT A GUIDRY, 0000
JOHN W HAMMOCK, 0000
JOHN W HARIADI, 0000
KYLE C HARNER, 0000
ADAM W HARRIS, 0000
DARREN L HARRIS, 0000
FREDERICK B HARRIS, 0000
DONALD L HELMAN JR., 0000
MAXWELL P HENDRIX, 0000
JEFFREY V HILL, 0000
CHRIS A HOFLAND, 0000
ROBERT H HOLLAND, 0000
SEAN A HOLLONBECK, 0000
CONCETTA R HOLLOWAY, 0000
LAURENCE C HOOD, 0000
LYNN L HORVATH, 0000
JAMIA E HOWELL, 0000
NABEEN HUSSAIN, 0000
THOMAS R HUSTEAD, 0000
CHRISTOPHER L HUTSON, 0000
CAESAR S INES, 0000
DANIEL J IRIZARRY, 0000
JOHNSON ISAAC, 0000
WILLIAM L JACKSON, 0000
TYLER M JAMES, 0000
CHRISTOPHER G JARVIS, 0000
JEREMY S JOHNSON, 0000
JONI J JOHNSON, 0000
CHRISTOPHER B JONES, 0000
JENNIFER E JORGENSEN, 0000
JAMES W JOSEPH, 0000
VALLIE KAPRELIAN, 0000
SANGEETA KAUSHIK, 0000
DWIGHT C KELLICUT, 0000
DARIN N KENNEDY, 0000
BRADFORD A KILCLINE, 0000
ISAAC K KIM, 0000
JAMES Y KIM, 0000
KURT G KINNEY, 0000
MARY M KLOTE, 0000
JEFFREY K KLOTZ, 0000
JONATHAN M KOFF, 0000
CHRISTIAN L KOOPMAN, 0000
CRAIG T KOPECKY, 0000
KURTIS L KOWALSKI, 0000
JAMES G LAMPHEAR, 0000
GREGORY T LANG, 0000
CHRISTOPHER L LANGE, 0000
JENNIFER T LANGE, 0000
DAVID LAW, 0000
BRENT L LECHNER, 0000
JOSEPH Y LEE, 0000
SOOK L LEE, 0000
RONALD LEHMAN, 0000
ERIC N LEONG, 0000
WILLIAM D LEUSINK, 0000
HWEI T LIN, 0000
BRIAN J LOHNES, 0000
DARA D LOWE, 0000

JAMES B LUCAS II, 0000
TODD J LUCAS, 0000
PEDRO F LUCERO, 0000
KIMBERLY K LUND, 0000
SHAWN A MACLEOD, 0000
ANDREW D MAGNET, 0000
JOHN R MAGPANTAY, 0000
ROBERT F MALSBY III, 0000
GREGORY J MARTIN, 0000
ROBERT T MATHIS, 0000
LARRY J MCCORD, 0000
RAAP J MCELHINNY, 0000
MARK E MCGRANAHAN, 0000
IAN K MCLEOD, 0000
LEAH P MCMANN, 0000
MICHAEL A MCMANN, 0000
SEAN K MCVEIGH, 0000
CHRISTOPHER D MEDELLIN, 0000
GARY W MENEFEE, 0000
JOHN W MERCER JR., 0000
MICHAEL J MINES, 0000
MICHAEL J MOFFATT, 0000
SEAN P MONTGOMERY, 0000
DOROTHY K MORGAN, 0000
JEFFREY S MORGAN, 0000
STEPHEN M MORRIS, 0000
JEANNIE M MUIRPADILLA, 0000
SEAN W MULVANEY, 0000
MICHAEL E MURPHY, 0000
MALCOLM G NAPIER, 0000
RAJEEV NARAYAN, 0000
ROBERT H NELSON, 0000
ROMEO NG, 0000
THERESA M NGUYEN, 0000
TOM L NGUYEN, 0000
NERIS M NIEVESCOLBERG, 0000
ERIK B NUCKOLS, 0000
RONALD P OBERFOELL, 0000
SARAH K OKADA, 0000
SEAN T OMARA, 0000
ROBERT J ORGAN, 0000
SHAWN S OSTERHOLT, 0000
ELIZABETH A OTTNEY, 0000
ROBERT H OVERBAUGH, 0000
KAREN L PALMER, 0000
SOHYUN C PARK, 0000
MICHAEL E PARKER, 0000
TARAK H PATEL, 0000
CHARLES L PEDERSON, 0000
ANA E PERALTA, 0000
JEREMY G PERKINS, 0000
JEROME V PONDER, 0000
JENNIFER POTTER, 0000
DAVID N PRESSMAN, 0000
JOSEPH PUSKAR, 0000
DAVID M QUINN, 0000
GAURI RADKAR V, 0000
BRADEN R RANCE, 0000
MATTHEW S RICE, 0000
THOMAS J RICHARD, 0000
SUSAN M ROBINSON, 0000
STEVEN W ROBISON, 0000
FALCON W RODRIGUEZ, 0000
JORGE L ROMEU, 0000
INGER L ROSNER, 0000
ROBERT RUSSELL, 0000
GAYLE B RYAN, 0000
MEG E RYAN, 0000
DAVID S SACHAR, 0000
SCOTT A SALMON, 0000
CHRISTOPHER K SANBORN, 0000
DON J SARMIENTO, 0000
TIMOTHY M SASALA, 0000
STEVEN A SAWYER, 0000
ANTHONY SCHULTZ, 0000
DEAN A SEEHUSEN, 0000
ERNEST C SEVERN, 0000
RICHARD A SEXTON, 0000
ANDREW J SHAPIRO, 0000
DAVID J SHAW, 0000
ERIK J SHELSTAD, 0000
PAULA J SHEPHERD, 0000
SEAN M SHOCKEY, 0000
RENEE M SIEGMANN, 0000
CASTANEDA A SIEROCKA, 0000
LINDA G SLAYTON, 0000
BRYAN C SLEIGH, 0000
JOHNNY D SMITH, 0000
JONATHAN K SMITH, 0000
KAREN E SMITH, 0000
RICHARD R SMITH, 0000
PATRICK J SNOWMAN, 0000
TAIIL T SONG, 0000
RONALD J STUKEY, 0000
LANCE E SULLENBERGER, 0000
NAOMI R SULLIVAN, 0000
DANIELLE C SUYKERBUYK, 0000
ROBERT A SUYKERBUYK, 0000
COSIMA C SWINTAK, 0000
HUNTER E SWITZER, 0000
TIMOTHY S TALBOT, 0000
OVERPECK T TENEWITZ, 0000
BRIGILDA C TENEZA, 0000
SEAN F THOMAS, 0000
JOHN E THORDSEN JR., 0000
MARIA D THORDSENVELEZ, 0000
LEROY J TROMBETTA, 0000
JOSEPH C TURBYVILLE, 0000
BRADLEY S VANDERVEEN, 0000
RODNEY A VILLANUEVA, 0000
GEORGE VONHILSHEIMER, 0000
JEFFREY A VOS, 0000
PHILIP M WAALKES, 0000
KIRK H WAIBEL, 0000
JACQUELINE A WARDGAINES, 0000
CHRISTOPHER L WATHIER, 0000
EMERY S WEAVER, 0000
KIMBERLY A WENNER, 0000
KENNETH R WEST, 0000
CHRISTOPHER E WHITE, 0000
WENDY J WHITFORD, 0000
KIMBERLY L WHITTINGTON, 0000
DONALD K WILLIAMS, 0000
JOSEPH A WILLIAMS, 0000
JEFFREY L WILSON, 0000
WILLIAM K WONG JR., 0000
BRADLEY K WOODS, 0000
JUSTIN T WOODSON, 0000
PHILIP A WOODWORTH, 0000
JOHNNIE WRIGHT JR., 0000
GERALD E YORK II, 0000
WESLEY G ZEGER, 0000

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be captain

STEVEN D. KORNATZ, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

MARY B. GERASCH, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

BARON D. JOLIE, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

TODD A. MASTERS, 0000

To be lieutenant commander

PERRY W. SUTER, 0000

THE FOLLOWING NAMED OFFICERS FOR TEMPORARY APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 5721:

To be lieutenant commander

WILLIAM L ABBOTT, 0000
SCOTT B CURTIS, 0000
TODD A FIGANBAUM, 0000
ANDREW G GRANT, 0000
WILLIAM A HALE, 0000
JOEL HARVEY, 0000
JAMES H HUMPHREY, 0000
MICHAEL E HUTCHENS, 0000
FRANK J KORFIAS, 0000
THOMAS P MONINGER, 0000
MARTIN J MUCKIAN, 0000
CHRISTOPHER A NERAD, 0000
BENJAMIN R NICHOLSON, 0000
ROBERT D SANDERS, 0000
DAVID E SMITH, 0000
RAYMOND C SPEARS, 0000
HENRY P STEWART, 0000
LAUREN L TROYAN, 0000
JOHN M WENKE JR., 0000
DONALD E WYATT, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

VANESSA P AMBERS, 0000
JOHN D BANDY, 0000
JOSEPH E BRENNAN, 0000
JAMES L CAROLAND, 0000
MICHAEL S COONEY, 0000
SAMMY CUEVAS, 0000
MARIA E DESANDRE, 0000
GREGORY L DIXON, 0000
JOSEPH E DUPRE, 0000
ROB E ENDERLIN, 0000
SHELLY V FRANK, 0000
BRYANT L FRAZIER, 0000
JOHN S GALIPEAU, 0000
PETER GIANGRASSO, 0000
MELVIN P GORDON, 0000
JOSHUA C HANSEN, 0000
LINDA M HATCHER, 0000
STEPHEN M HEINSINGER, 0000
CHRISTOPHER E HOWSE, 0000
SHAWN W MCGINNIS, 0000
STUART R MCKENNA, 0000
CHERYL A MUIRHEAD, 0000
WILLIAM S MYERS, 0000
DAVID I ODOM, 0000
BOSWYCK D OFFORD, 0000
SONJA M PERRY, 0000
MICHAEL RIGGINS, 0000
PAMELA R RUSSELL, 0000
CHRISTOPHER P SLATTERY, 0000
ABRAHAM A THOMPSON, 0000
RICHARD L WATERS, 0000
ROBERT E WHITE II, 0000
CHRISTOPHER J WILLIAMS, 0000
DOUGLAS M ZANDER, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant commander

AMADO F ABAYA, 0000
JAMES R ACKERMAN II, 0000
CHRISTINE N ACTON, 0000
CHRISTOPHER J ADAMS, 0000
DOUGLAS J ADAMS, 0000
NEAL D AGAMAITE, 0000
GEORGE R AGUILAR, 0000
MARIO A AGUILAR, 0000
ROBERT W AGUILERA, 0000
IVAN L AGUIRRE, 0000
ELLER V AIELLO, 0000
LEOPOLDO S J ALBEA, 0000
KRISTINE E ALEXANDER, 0000
BRENT A ALFONZO, 0000
BENJAMIN J ALLBRITTON, 0000
JASON C ALLEYNE, 0000
QUINO P ALONZO JR., 0000
CHRISTOPHER S AMADOR, 0000
GARY T AMBROSE, 0000
MICHAEL T AMOS, 0000
KEVIN W ANDERSEN, 0000
DAVID R ANDERSON, 0000
EDWARD T ANDERSON, 0000
JAMES A ANDERSON, 0000
MARK E ANDERSON, 0000
ROBERT W ANDERSON, 0000
ERIC J ANDUZE, 0000
DAVID R APPEL, 0000
CHRISTOPHER E ARCHER, 0000
MATTHEW L ARNY, 0000
MARTIN F ARRIOLA, 0000
GARRETT C ARTZ, 0000
ARLEN E ASPENSON, 0000
MARK R ASUNCION, 0000
ROBERTO J ATHA JR., 0000
TINA M ATHANS, 0000
CHRISTOPHER J ATKINSON, 0000
KEVIN L AUSTIN, 0000
ARVIS V I AVERETTE, 0000
ROBERT L BAHR, 0000
EUGENE R BAILEY, 0000
ANTHONY P BAKER, 0000
BOBBY J BAKER, 0000
BRETT T BAKER, 0000
CHAD E BAKER, 0000
JEFFREY W BAKER, 0000
THOMAS R BAKER, 0000
THOMAS A BALCH, 0000
JOHN A BALTES, 0000
ROBERT J BANASIEWICZ, 0000
THOMAS D BARBER, 0000
CHARLES E BARE II, 0000
BUFORD D BARKER, 0000
JOSEPH W BARNES, 0000
TIMOTHY A BARNEY, 0000
JONATHAN B BARON, 0000
WILLIAM A BARTLE, 0000
JAMES L BASFORD, 0000
SHANNON S BASSI, 0000
KENNETH R BATES, 0000
DANIEL V BAXTER, 0000
JOSEPH M BAXTER, 0000
JAMES R BEASLEY, 0000
ANDREW E BECKER, 0000
CURTIS A BECKER JR., 0000
BRIAN R BEHLKE, 0000
RODNEY T BEHREND, 0000
JAMES W BELL, 0000
SCOTT A BELL, 0000
DOUGLAS S BELVIN, 0000
JAMES A BELZ, 0000
JEFFREY A BENSON, 0000
ANDREW R BENZ, 0000
BUDD E BERGLOFF, 0000
PAUL J BERNARD, 0000
JEFFREY A BERNHARD, 0000
PETER R BERNING, 0000
JAMES M BILOTTA, 0000
ANDREW T BISHOP, 0000
TANIA M BISHOP, 0000
KEVIN T BLACK, 0000
MICHAEL F BLACK, 0000
MICHAEL S BOBULINSKI, 0000
JOSEPH W BOCHENEK, 0000
SCOTT A BOEDEKER, 0000
MATTHEW D BOHLIN, 0000
DELONG BONNER, 0000
MATTHEW J BONNER, 0000
SCOTT P BONZ, 0000
JOHN D BOONE, 0000
MICHAEL J BOONE, 0000
NATHAN P BORCHERS, 0000
JAMES P M BORGHARDT, 0000
KELLY K BORING, 0000
JEFFREY S BOROS, 0000
CATHERINE S BOULWARE, 0000
BRIAN J BOUTOT, 0000
MATTHEW R BOWMAN, 0000
COLIN A BOWSER, 0000
DIMITRI C BOYACI, 0000
LESLIE W BOYER III, 0000
KEVIN P BOYKIN, 0000
JAMES G BOYLAND, 0000
JOSEPH P BOZZELLI, 0000
GREGORY M BRADLEY, 0000
ABABETH M BRAMAN, 0000
KEVIN M BRAND, 0000
MICHAEL S BRAUN, 0000
NEIL M BRENNAN, 0000
DAVID A BRETZ, 0000
PETER J BREWSTER, 0000
ANTHONY R BREYER, 0000
GEORGE D BRICKHOUSE III, 0000
BRADEN O BRILLER, 0000
JENKS D BRITT, 0000

JESSE L BRITTAIN, 0000
LARON B BROADNAX, 0000
ROBERT D BRODIE, 0000
AARON G BRODSKY, 0000
BRIAN B BRONK, 0000
DAVID L BROOKS, 0000
CHARLES W BROWN IV, 0000
CHRISTOPHER K BROWN, 0000
COREY L BROWN, 0000
JAMES E BROWN, 0000
CHADWICK B BRYANT, 0000
WILLIAM A BUCKNER, 0000
ROSS S BUDGE, 0000
NICHOLIE T BUFKIN, 0000
DWAYNE E BURBRIDGE, 0000
MARK E BURCHER, 0000
MICHAEL L BURD, 0000
ROBERT C BURDEAUX, 0000
COLVERT P BURGOS, 0000
MICHAEL J BURIANEK, 0000
THEODORE M BURK, 0000
BRIAN J BURKE, 0000
VORRICE J BURKS, 0000
JASON A BURNS, 0000
MATTHEW J BURNS, 0000
GREGORY D BYERS, 0000
JOSEPH M BYRD, 0000
KEVIN P BYRNE, 0000
MARCELLO D CACERES, 0000
JOSEPH F CAHILL III, 0000
MARK A CALDERON, 0000
DANIEL W CALDWELL, 0000
PAUL F CAMPAGNA, 0000
KYLE R CAMPBELL, 0000
RONNIE M CANDILORO, 0000
JOHN E CAPIZZI, 0000
MARC G CARLSON, 0000
ARON S CARMAN, 0000
JOSEPH A CARNELL, 0000
GREGORY P CARO, 0000
JOHN G CARPENTIER, 0000
JOSEPH CARRIGAN, 0000
CHRISTOPHER S CARROLL, 0000
DANIEL G CASE, 0000
ROBERT A CASPER JR., 0000
CHRISTOPHER J CASSIDY, 0000
CLINTON J CATES, 0000
SEAN P CAVAN, 0000
CHRISTOPHER J CAVANAUGH, 0000
THOMAS C CECIL, 0000
PETER J CECILIA JR., 0000
JONATHAN L CHADWICK, 0000
JOHN L CHAPLA, 0000
GREGORY F CHAPMAN, 0000
STEPHEN C CHAPMAN, 0000
STEPHEN P CHEELEY, 0000
CHI K CHEUNG, 0000
JEFFREY A CHILDERS, 0000
JOHN S CHRISTENSEN, 0000
RYAN G CHRISTOPHERSON, 0000
BRYANT T CHURCH, 0000
CARLOS J CINTRON, 0000
CHRISTOPHER J CIZEK, 0000
JEFFREY J CLARKSON, 0000
PHILLIP Z CLAY, 0000
DUNCAN M CLENDENIN, 0000
GWEN D G CLIFFORD, 0000
BRYAN M COCHRAN, 0000
LANCE A COLLIER, 0000
CHRISTOPHER I COLLING, 0000
MATTHEW B COMMERFORD, 0000
CHARLES P CONE, 0000
MICHAEL P CONNOR, 0000
ERIC L CONZEN, 0000
TIMOTHY M COOPER, 0000
PETER A CORRAO JR., 0000
RICKY R COSTNER, 0000
GREGORY B COTTEN, 0000
FREDERICK D COTTS, 0000
ROBERT COUGHLIN, 0000
SHAWN R COWAN, 0000
WILLIAM T COX JR., 0000
RAYMOND T COZINE, 0000
JOHN S CRANSTON, 0000
FREDERICK E CRECELIUS, 0000
RONALD L CREEL, 0000
MICHAEL C CRISP, 0000
ROBERT D CROXSON, 0000
PAUL A CRUMP, 0000
ADAN G CRUZ, 0000
YNIOL A CRUZ, 0000
KRISTEN W CULLER, 0000
CORY L CULVER, 0000
PATRICK J CUMMINGS, 0000
WILSON J CURRENT, 0000
TIMOTHY S CURRY, 0000
SCOTT B CURTIS, 0000
SEAN T CUSHING, 0000
PETER M CUTSUMBIS, 0000
SARAH A DACHOS, 0000
WILLIAM R DALY, 0000
MICHAEL J DAMICO, 0000
RODNEY D DANIELS, 0000
ANDREW D DANKO, 0000
JOHN C DANKS, 0000
WILLIAM A DAROSA, 0000
TODD J DARWIN, 0000
JACE F DASENBROCK, 0000
GEORGE A DAVIS, 0000
GREGORY P DAVIS, 0000
STEPHEN C DAVIS, 0000
DAVID C DAYS, 0000
DENNIS A DEBOBES, 0000
ANTONIO DEFRIAS JR., 0000
DANIEL M DEGNER, 0000
STEPHEN J DELANTY, 0000
DINO S DELEO, 0000
STEVEN H DEMOSS, 0000
HOMER R DENIUS III, 0000
ROBERT DENTON III, 0000
TERENCE P DERMODY, 0000
STEVEN F DESANTIS, 0000
STANLEY J DESLICH, 0000
RALPH F DEWALT II, 0000
MICHAEL D DEWULF, 0000
BRIEN W DICKSON, 0000
MICHAEL R DICKSON, 0000
CHRISTOPHER S DIGNAN, 0000
RODRIGO M DILL, 0000
PHILLIP S DOBBS, 0000
SHAWN C DOMINGUEZ, 0000
PETER J DONAHER III, 0000
MARK M DONAHUE, 0000
ELLIOTT J DONALD, 0000
LEE A DONALDSON, 0000
DENISE M DONNELL, 0000
BRAD P DONNELLY, 0000
JOHN W DOOLITTLE, 0000
THOMAS C DORAN, 0000
LAWRENCE T DORN, 0000
RANDY A DOSSEY, 0000
BRIAN P DOUGLASS, 0000
DAVID M DOWLER, 0000
GEORGE B DOYON JR., 0000
BRIAN C DOZIER, 0000
JEFFREY J DRAEGER, 0000
MARC E DROBNY, 0000
RICHARD F DUBNANSKY JR., 0000
TODD C DUDLEY, 0000
JUSTIN E DUGGER, 0000
CHRISTIAN A DUNBAR, 0000
CURTIS B DUNCAN, 0000
BRYAN W DURKEE, 0000
KEVIN L DUZAN, 0000
CLINTON S EANES, 0000
MICHAEL G EARL, 0000
DOUGLAS E EDGE, 0000
JEFFREY W EGGERS, 0000
ANDREW C EHLERS, 0000
KEITH D EITNER, 0000
NATHAN J ELDER, 0000
JAMES J ELIAS, 0000
MATTHEW S ELLIA, 0000
JENNIFER L ELLINGER, 0000
CARLTON T ELLIOTT, 0000
MICHAEL ELLIOTT, 0000
TONY L ELLIS, 0000
WILLIAM R ELLIS JR., 0000
II T S ELLISON, 0000
PHILIP L ENGLE JR., 0000
JOSHUA G ENGLISH, 0000
BRIAN ERICKSON, 0000
DAVID G ERICKSON, 0000
GREGORY J ERICKSON, 0000
ERIK J ESLICH, 0000
DANILO A ESPIRITU, 0000
KEVIN W EVANS, 0000
THOMAS E EWING, 0000
DOUGLAS A FACTOR, 0000
DANIEL S FAHEY, 0000
JEFFREY N FARAH, 0000
MICHAEL G FARREN, 0000
STEPHEN T FAUST, 0000
ROBERT K FEDERAL III, 0000
BRIAN M FERGUSON, 0000
JOHN H FERGUSON, 0000
KENNETH L FERGUSON, 0000
BRYAN J FETTER, 0000
LESLEY J FIERST, 0000
MATTHEW D FINNEY, 0000
FULVIA M FIORANI, 0000
NICHOLAS J FIORE, 0000
STEPHEN B FIRESTONE, 0000
THOMAS J FLANNERY, 0000
MICHAEL T FLEETWOOD, 0000
JACK C FLETCHER II, 0000
JORGE R FLORES, 0000
IDELLA R FOLGATE, 0000
JOSEPH C FORAKER III, 0000
DARYL D FOSTER, 0000
MICHAEL A FOX, 0000
RONALD A FOY, 0000
RAY A FRANKLIN II, 0000
MICHAEL G FRANTZ, 0000
FRANK R FULLER, 0000
WARDELL C FULLER, 0000
BRETT T FULLERTON, 0000
GEORGE G FUTCH, 0000
DAVID O GADDIS, 0000
GREGORY J GAHLINGER, 0000
ANDREW D GAINER, 0000
MICHAEL P GALLAGHER, 0000
TIMOTHY J GALLAGHER, 0000
DAVID M GALLOWAY, 0000
FERNANDO GARCIA, 0000
KARL GARCIA, 0000
ERIC J GARDNER, 0000
JOSHUA H GATES, 0000
JOHN A GEARHART, 0000
JAMES L GEICK, 0000
DANIEL GEIGER, 0000
MARC A GENUALDI, 0000
MELISSA J GERACE, 0000
JOHN D GERKEN, 0000
JEFFREY T GIBBONS, 0000
LEANA R GILLI, 0000
DENNIS T GINN, 0000
DAVID A GIVEY, 0000
DARREN W GLASER, 0000
GEORGE F GLAZE III, 0000
ANTHONY S GLOVER, 0000
BENNETT R GLOVER, 0000
FREDERIC C GOLDHAMMER, 0000
ISSAC GONZALEZ, 0000
KYLE P GORDY, 0000
TUAN A GORMICAN, 0000
MICHAEL J GRABOWSKI, 0000
GREGORY L GRADY, 0000
MATTHEW M GRAHAM, 0000
ANDREW G GRANT, 0000
WAYNE G GRASDOCK, 0000
CHARLES R GRASSI, 0000
MARIA L GRAUERHOLZ, 0000
HOWARD C GRAY, 0000
DANIEL E GREENE, 0000
JASON P GREENE, 0000
DARRELL S GREGG, 0000
JOHN D GREMILLION, 0000
ERIK W GREVE, 0000
MARK D GROB, 0000
DAVID E GROGAN, 0000
EDWIN J GROHE JR., 0000
TIMOTHY S GUDUKAS, 0000
WAYNE D GUNTHER, 0000
GENE M GUTTROMSON, 0000
THOMAS D HACKER, 0000
FERDINAND G HAFNER, 0000
ORLOFF L R HAGENDORF, 0000
GREGORY C HAIRSTON, 0000
WILLIAM E HAMILTON, 0000
JASON G HAMMOND, 0000
TIMOTHY J HANLEY, 0000
PATRICK D HANRAHAN, 0000
GERALD J HANSEN JR., 0000
KEVIN K HANSON, 0000
DOUGLAS A HARBOLD, 0000
CHRISTOPHER G HARDING, 0000
JENNIFER L HARDING, 0000
MICHAEL D HARDWICK, 0000
BRANDAN D HARRIS, 0000
GALEN R HARTMAN, 0000
JASPER C HARTSFIELD, 0000
JOEL HARVEY, 0000
MONTY L HASENBANK, 0000
VERNON HASTEN, 0000
PAUL F HASTIE, 0000
MICHAEL E HAYES, 0000
GREGORY T HAYNES, 0000
ALBON O HEAD III, 0000
KEVIN P HEALY, 0000
BRYN J HENDERSON JR., 0000
SCOTT A HENDRIX, 0000
DARRYL W HENSLEY, 0000
SCOTT M HIELEN, 0000
SEAN P HIGGINS, 0000
ROBIN L HIGGS, 0000
STEPHEN F HIGUERA, 0000
CLAYTON O HILL, 0000
CRAIG A HILL, 0000
JEREMY R HILL, 0000
ROBERT A HILL, 0000
ALLEN L HOBBS, 0000
BERTRAM C HODGE, 0000
TODD A HOFSTEDT, 0000
AARON M HOLDAWAY, 0000
MARK D HOLMES, 0000
MARK F HOLZRICHTER, 0000
PATRICK C HONECK, 0000
DALE C HOOVER, 0000
DAVID HOPPER, 0000
MONROE M HOWELL II, 0000
CORY R HOWES, 0000
JOHN L HOWLAND, 0000
MICHAEL M H HSU, 0000
GREGORY W HUBBARD, 0000
MARC A HUDSON, 0000
ANTONIO D HULL, 0000
JAMES H HUMPHREY, 0000
KELLY S HURST, 0000
MARK C HUSTIS, 0000
CRAIG D HUTCHINSON, 0000
JOSEPH A HUTCHINSON, 0000
MATTHEW P HYDE, 0000
ROBERT H HYDE, 0000
DANIEL D IMBAT, 0000
MARK A IMBLUM, 0000
JOSEPH P IRETON JR., 0000
CHRISTOPHER C ISBELL, 0000
JONATHAN L JACKSON, 0000
STEPHEN J JACKSON, 0000
TIMOTHY C JACKSON, 0000
BRADLEY D JACOBS, 0000
GERALD D JACQUES, 0000
DAVID C JAMES, 0000
OMAR E JANA, 0000
THOMAS J JANKOWSKI, 0000
JOEL W JANOPOULOS, 0000
BYRON W JENKINS, 0000
JOHN D JESSUP II, 0000
WILLIAM H JEWETT III, 0000
DAVID E JOHNSON, 0000
DAVID R JOHNSON, 0000
ERIC R JOHNSON, 0000
HIRAM S JOHNSON, 0000
MARK E JOHNSON, 0000
MICHAEL B JOHNSON, 0000
MICHAEL D JOHNSON, 0000
STEVIN S JOHNSON, 0000
VINCENT R JOHNSON, 0000
WILLIAM D JOHNSTON, 0000
ETTA C JONES, 0000
JEFFREY E JONES, 0000
THOMAS C KAIT JR., 0000
WLANCE KALLEBERG, 0000
SCOTT C KANE, 0000
WILLIAM R KANE, 0000
RONALD J KARUN JR., 0000
TAMARA L KARWOSKI, 0000
KRISTOPHER M KASCHAK, 0000
PHILIP J KASE, 0000
DANIEL J KECK, 0000

MARK W KEKEISEN, 0000
STEPHEN A KELLEY, 0000
RICHARD M KELLY, 0000
GLENN D KELSO, 0000
MARK T KELSO, 0000
MARK P KEMPF, 0000
COREY J KENISTON, 0000
JOHN D KENNARD, 0000
MATTHEW J KENNEDY, 0000
PHILLIP A KENT, 0000
ROBERT R KENYON, 0000
GREGORY R KERCHER, 0000
CALEB A KERR, 0000
DAVID S KERSEY, 0000
TIMOTHY N KETTER, 0000
LISA L KETTERMAN, 0000
PAUL R KEYES, 0000
MICHAEL M KIBLER, 0000
MARTIN P KIESEL, 0000
JENNIFER A KIGGANS, 0000
STEVEN W KIGGANS, 0000
ANDREW J KIMSEY, 0000
JEFFERY T KING, 0000
KEITH R KINTZLEY, 0000
CHRISTOPHER J KIPP, 0000
BRIAN D KIRK, 0000
ANDREW A KISS, 0000
JEFFREY M KLAMERUS, 0000
DENNIS J KLEIN, 0000
KEVIN J KLEIN, 0000
DAVID W KLIEMANN, 0000
MITCHEL J KLOEWER, 0000
GREGORY D KNEPPER, 0000
CARY M KNOX, 0000
KIRK A KNOX, 0000
ANDREW P KOELSCH, 0000
MICHAEL J KOEN, 0000
RICHARD W KOENIG, 0000
BRYAN W KOON, 0000
ROBERT A KOONCE, 0000
KARL W KOTTKE, 0000
PHILIP J KOTWICK, 0000
SCOTT H KRAFT, 0000
JEFFREY K KRAUSE JR., 0000
JAMES W KUEHL, 0000
PATRICK E KULAKOWSKI, 0000
DOUGLAS W KUNZMAN, 0000
ARMEN H KURDIAN, 0000
MATTHEW A LABONTE, 0000
THOMAS P LABOR, 0000
JON P R LABRUZZO, 0000
KEVIN R LACKIE, 0000
ROBERT T LACY, 0000
ANDREW D LAMORIE, 0000
HANS P LANDEFELD, 0000
GEORGE M LANDIS III, 0000
PATRICK S LANEY, 0000
CHAD M LARGES, 0000
CRAIG R LARSON, 0000
WILLIAM M LAUPER, 0000
WILLIAM T LAYTON, 0000
MARK S LEAVITT, 0000
SCOTT H LEDIG, 0000
FITZHUGH S LEE, 0000
HEATHER B LEE, 0000
STEVEN S LEE, 0000
JERRY W LEGERE, 0000
CHRISTOPHER L LEGRAND, 0000
PATRICK R LEHMAN, 0000
JOHN R LESKOVICH, 0000
CHRIS W LEWIS, 0000
JAMES G LEWIS, 0000
SEAN M LEYDEN, 0000
MICHAEL LIBERATORE, 0000
CARL M LIBERMAN, 0000
DARYL W LIERMAN, 0000
ROBERT W LINDER, 0000
ERIC C LINDFORS, 0000
ROBERT J LINEBARGER, 0000
HOWARD B LINK JR., 0000
JEFFREY G LINVILLE, 0000
STEVEN C LIPPINCOTT, 0000
JONATHAN D LIPPS, 0000
DOUGLAS W LITO, 0000
KIRK J LOFTUS, 0000
ROBERT M LOHMAN JR., 0000
CHARLES E LOISELLE, 0000
KEVIN D LONG, 0000
TIFFANY L LORD, 0000
THOMAS D LOUWERS, 0000
ROY LOVE, 0000
JAMES P LOWELL, 0000
RODGER D LOWER, 0000
MICHAEL D LOWRY, 0000
MICHAEL E LOWRY, 0000
JAMES J LUCAS, 0000
JEFFREY R LUCE, 0000
LANCE J LUKSIK, 0000
STEVEN J LUND, 0000
RICHARD P MACCABE, 0000
JONATHAN D MACDONALD, 0000
GERALD J MACENAS II, 0000
LLOYD B MACK, 0000
JOSEPH R MACKAY, 0000
IAN A MACKINNON, 0000
MICHAEL D MACNICHOLL, 0000
CHRISTOPHER D MAJORS, 0000
RAMON A MALDONADO, 0000
PHILIP E MALONE, 0000
MICHAEL R MANSISIDOR, 0000
NORMAN E MAPLE, 0000
RAYMOND MARCIANO II, 0000
MARK L MARINAC, 0000
JON C MARLAR, 0000
MICHAEL H MARRINAN, 0000
CHRISTOPHER D MARSH, 0000
FRANKLIN K MARSTON, 0000
CHRISTOPER T MARTIN, 0000
VINCENT S MARTIN, 0000
TODD R MARZANO, 0000
MARK A MARZONIE, 0000
MATTHEW J MASON, 0000
RICHARD N MASSIE, 0000
ANTHONY P MASSLOFSKY, 0000
STEVEN J MATHEWS, 0000
STUART M MATTFIELD, 0000
THOMAS L MATTOX, 0000
JAY A MATZKO, 0000
TODD A MAUERHAN, 0000
SHAUN C MCANDREW, 0000
JAMES A MCCALL III, 0000
WILLIAM D MCCARTHY, 0000
ERIC D MCCARTY, 0000
ROBERT A MCCORMICK JR., 0000
ARNOLD S MCCOY, 0000
LARRY G MCCULLEN, 0000
RICHARD C MCDANIEL, 0000
SEAN P MCDERMOTT, 0000
ANDREW J MCFARLAND, 0000
KATHERINE L MCGILL, 0000
CHRISTOPHER F MCHUGH, 0000
JAMES S MCJOYNT, 0000
JOHN M MCKEON JR., 0000
KEVIN M MCLAUGHLIN, 0000
COLIN M MCLEAN, 0000
BOBBY D MCPHERSON II, 0000
GREGORY E MCRAE, 0000
BRYAN S MCROBERTS, 0000
MICHAEL T MCVAY, 0000
JOHN J MEAGHER, 0000
NICHOLAS J MELFI III, 0000
WILLIAM R MELLEN, 0000
MARK A MELSON, 0000
JOHN P MERLI, 0000
CHARLES S MERRILL IV, 0000
ROGER E MEYER, 0000
JAMES E MILLER, 0000
JEFFREY A MILLER, 0000
DENNIS I MILLS, 0000
PETER A MILNES, 0000
KENNETH MILVID JR., 0000
LUIS E MOLINA, 0000
JOHN J MOLINARI, 0000
KURT A MONDLAK, 0000
THOMAS P MONINGER, 0000
CHRISTOPHER T MONROE, 0000
BENNETT N MONTERO, 0000
DAVID J MONTGOMERY II, 0000
JOHN F MONTGOMERY, 0000
RICHARD S MONTGOMERY, 0000
JAMES E MOONIER III, 0000
KENT W MOORE, 0000
MARC H MOORE, 0000
CHRISTOPHER L MOOREHEAD, 0000
BRETT J MORASH, 0000
DENNIS D J MOREK, 0000
EDGARDO A MORENO, 0000
CHARLES D MORGAN JR., 0000
WALTER S MORGAN, 0000
DANIEL MORITSCH, 0000
MATTHEW G MORRIS, 0000
DONALD E MORROW, 0000
BRANDT A MOSLENER, 0000
JOEL E MOSS, 0000
NATHAN J MOYER, 0000
BRETT D MOYES, 0000
TEDD N MUERY, 0000
THOMAS H MULDROW JR., 0000
JEFFREY D MULKEY, 0000
MICHAEL MULLEN, 0000
KURT W MULLER, 0000
MICHAEL D MULLOY, 0000
SCOTT T MULVEHILL, 0000
STEVEN P MURLEY, 0000
CHARLES G MURPHY, 0000
THOMAS P MURPHY, 0000
JAMES M MUSE, 0000
JERRY L MYERS JR., 0000
MICHAEL J NADEAU, 0000
VAL D NAFTALI, 0000
WYATT J NASH, 0000
STEVEN T NASSAU, 0000
ANDREW C NELSON, 0000
JACOB A NELSON, 0000
JOSEPH W NELSON, 0000
MARK B NELSON, 0000
LAWRENCE J NEVEL, 0000
GREGORY D NEWKIRK, 0000
JOSHUA G NEWSTEDER, 0000
BENJAMIN R NICHOLSON, 0000
JEREMY C NIKEL, 0000
ERIK R NILSSON, 0000
JEFFREY J NOLAN, 0000
FRANCIS P NOTZ, 0000
JAMES P NUNN, 0000
JOSEPH R OBRIEN, 0000
DONALD C ODEN, 0000
KEVIN H ODLUM, 0000
WAYNE D OETINGER, 0000
NATHAN R OGLE, 0000
NORA C OHARA, 0000
DAVIN J OHORA, 0000
JOHN W OLIVER JR., 0000
LAWRENCE D OLLICE JR., 0000
BRIAN J OLSWOLD, 0000
DANIEL P ONEAL, 0000
CHRISTOPHER D ORR, 0000
ALEJANDRO E ORTIZ, 0000
ERIK W OSTROM, 0000
GREGORY A OUELLETTE, 0000
ALFRED J OWINGS II, 0000
BRAULIO PAIZ, 0000
TERRELL K PANKHURST, 0000
CAREY M PANTLING, 0000
MATTHEW C PARADISE, 0000
CORINNE R PARKER, 0000
JAMES B PARKERSON, 0000
KEVIN J PARKS, 0000
ERIK R PATTON, 0000
THOMAS C PAUDLER, 0000
RICHARD H PAYNE, 0000
DONALD E PEACOCK II, 0000
GREGORY P PEDERSON, 0000
JIMMY W PELTON, 0000
MARK C PERREAULT, 0000
SIL A PERRELLA, 0000
BRADLEY S PERRIN, 0000
JOHN E PERRONE, 0000
DAVID R PERRY, 0000
GEORGE M PERRY, 0000
VINCENT J PERRY, 0000
KENT E PETERSON, 0000
WILLIAM A PETERSON, 0000
ROBERT A PETRICK, 0000
TODD O PETTIBON, 0000
JAMES B PFEIFFER, 0000
DOUGLAS M PHELAN, 0000
JOHN B PICCO, 0000
DUSTINE PIERSON, 0000
JASON L PIKE, 0000
JAMES M PIOTROWSKI, 0000
THOMAS E PLOTT II, 0000
MICHAEL J PLOWMAN, 0000
DARREN R POORE, 0000
JOHN R POPE, 0000
MICHAEL A PORTER, 0000
MATTHEW R POTHIER, 0000
STEVEN N POTOCHNIAK, 0000
GERALD R PRENDERGAST, 0000
CHRISTOPHER A PRESZ, 0000
JOB W PRICE, 0000
JOSHUA D PRICE, 0000
KARL F PRIGGE, 0000
THEODORE A PRINCE, 0000
WILLIAM C PUGH, 0000
MICHAEL G QUAN, 0000
KEVIN M QUARDERER, 0000
VICTORIA L QUINN, 0000
KENNETH N RADFORD, 0000
KEVIN S RAFFERTY, 0000
ANDRE L RAGIN, 0000
ROLANDO RAMIREZ, 0000
PAUL E RASMUSSEN, 0000
WERNER J RAUCHENSTEIN, 0000
JAMES G REA, 0000
STEPHEN E READY, 0000
MICHAEL J REAGAN, 0000
TOBY E REAM, 0000
CHAD B REED, 0000
JEFFREY R REGISTER, 0000
JOHN K REILLEY, 0000
PAUL M REIS, 0000
CRAIG M REMALY, 0000
JEFFREY S REUTER, 0000
MANUEL REYES, 0000
MARK C REYES, 0000
JOSHUA S REYHER, 0000
JAMES P REYNOLDS, 0000
LORN D REYNOLDS, 0000
PATRICK L REYNOLDS, 0000
ALBERT E RICE, 0000
THOMAS D RICH, 0000
JUSTIN B RICHARDS, 0000
DAVID B RICHARDSON, 0000
JASON L RIDER, 0000
RICHARD C RIGGS, 0000
STEVEN C ROBERTO JR., 0000
BUCKY J ROBERTS, 0000
MATTHEW C ROBERTS, 0000
MATTHEW P ROBERTS, 0000
DANIEL S ROBERTSON JR., 0000
DENNIS A ROBERTSON, 0000
MICHAEL P ROBERTSON, 0000
MICHAEL P ROBLES, 0000
DAVID G ROCKWELL, 0000
MARC D RODRIGUEZ, 0000
ERICH P ROETZ, 0000
VICTOR M ROMAN JR., 0000
ROBERT J ROSALES, 0000
HOLLY A ROSENBERG, 0000
DAVID R ROSETTER, 0000
REY R ROSS, 0000
RICHARD K ROSSETTI, 0000
KENNETH S ROTHAERMEL, 0000
DAVID M ROWLAND, 0000
MICHAEL R ROYLE, 0000
JONATHAN E RUCKER, 0000
JOHN C RUDELLA, 0000
ANDREW M RUIZ, 0000
ROME RUIZ, 0000
BRET A RUSSELL, 0000
JONATHAN C RUSSELL, 0000
DANIEL K RYAN JR., 0000
DANIELLE A RYAN, 0000
DOUGLAS A SAARELA, 0000
GREGORY A SAKRYD, 0000
MICHAEL S SALING, 0000
WESLEY S SANDERS, 0000
DAVID M SANFIELD, 0000
THOMAS M SANTOMAURO, 0000
DOUGLAS W SASSE III, 0000
DAVID C SASSER, 0000
SAMANTHA J SAXTON, 0000
MICHAEL D SCHAFER, 0000
DAVID J SCHLESINGER, 0000
KEVIN J SCHMIDT, 0000
ROBERT D SCHOEFFLING, 0000
MARK A SCHRAM, 0000
KORY L SCHROEDER, 0000
JOHN P SCHULTZ, 0000
KARL U SCHULTZ, 0000

PATRICK B SCOTT, 0000
RICHARD I SCRITCHFIELD, 0000
FRANK A SCRIVENER III, 0000
JEFFREY L SCUDDER, 0000
DAVID C SEARS, 0000
HIPOLITO D SEBASTIAN, 0000
MATTHEW T SECREST, 0000
ERIC O SEIB, 0000
MARK R SEIGH, 0000
DAVID G SELANDER, 0000
ANTONIN Z SERGELIN, 0000
SHANTI R SETHI, 0000
SCOTT R SEYFARTH, 0000
DAVID K SHAFFER, 0000
ANDREW J SHANK, 0000
ROBERT C SHASSBERGER, 0000
TRACY J SHAY, 0000
FRANK C SHELLY, 0000
JAMES A SHOENBERGER, 0000
JUSTIN L SHOGER, 0000
MAXWELL J SHUMAN, 0000
DEAN W SIBLEY, 0000
LARRY A SIDBURY, 0000
DOUGLAS J SIEMONSMA, 0000
KEITH R SILINSKY, 0000
TIMOTHY L SIMONSON, 0000
TYREL T SIMPSON, 0000
THOMAS W SINGLETON, 0000
LEE P SISCO, 0000
WARREN E SISSON, 0000
CHARLES W SITES, 0000
BRIAN L SITTLOW, 0000
DARREN J SKINNER, 0000
QUINN D SKINNER, 0000
STEVEN J SKRETKOWICZ, 0000
JAMES C SLAIGHT, 0000
STEVEN J SLATER, 0000
JULIA L SLATTERY, 0000
TIMOTHY J SLENTZ, 0000
STEPHEN E SMALL, 0000
CARL C SMART, 0000
BENJAMIN P SMITH, 0000
BRIAN E SMITH, 0000
CHRISTOPHER P SMITH, 0000
GREGORY A SMITH, 0000
QUWAN A SMITH, 0000
ROBERT S SMITH, 0000
THADEOUS C SMITH, 0000
WILLIAM A SMITH IV, 0000
CRAIG M SNYDER, 0000
WILLIAM H SNYDER III, 0000
ERIC A SODERBERG, 0000
TROY A SOLBERG, 0000
DAVID M SOUZA, 0000
JOHN D SOWERS, 0000
JEFFREY R SOWINSKI, 0000
MICHAEL T SPENCER, 0000
STEPHEN O SPRAGUE, 0000
SCOTT S SPRINGER, 0000
WILLIAM B STAFFORD, 0000
BRUCE R STANLEY JR., 0000
JOSEPH M STAUD, 0000
PETER S STAVELEY, 0000
MARK O STEARNS, 0000
JEFFREY C STEVENS, 0000
AMOS STIBOLT, 0000
JONATHAN L STILL, 0000
THOMAS D STOREY, 0000
GREGORY P STPIERRE, 0000
TABB B STRINGER, 0000
KENNETH A STRONG, 0000
JASON J STRUCK, 0000
MICHAEL D STULL, 0000
ALBERT F STUMM III, 0000
NATHAN B SUKOLS, 0000
DANIEL J SULLIVAN IV, 0000
JEFFREY M SULLIVAN, 0000
JOHN D SULLIVAN, 0000
MICHAEL T SULLIVAN, 0000
MICHAEL R SUTTON, 0000
TIMOTHY E SYMONS, 0000
PAUL J TABAKA, 0000
GREGORY J TACZAK, 0000
SCOTT A TAIT, 0000
SHANE P TALLANT, 0000
MARK W TANKERSLEY, 0000
JON M TAYLOR, 0000
BENJAMIN J TEICH, 0000
ANTONIO TELLADO, 0000
JASON A TEMPLE, 0000
CRAIG R TESSIN, 0000
MATTHEW A TESTERMAN, 0000
JOSEPH C THOMAS, 0000
PATRICK W THOMPSON, 0000
ROBERT S THOMPSON, 0000
WILLARD L THOMPSON, 0000
COURTNEY L TIERNEY, 0000
JOHN A TIERNEY, 0000
NICHOLAS R TILBROOK, 0000
KELLY M TIN, 0000
JEFFREY S TODD, 0000
JOHN D TOLG, 0000
JAMES H TOOLE, 0000
RAMBERTO A TORRUELLA, 0000
RICHARD A TREVISAN, 0000
BRENT A TRICKEL, 0000
JEFFREY D TROYANEK, 0000
SCOTT S TROYER, 0000
CARIN C TULLOS, 0000
RODNEY L TURBAK, 0000
KYLE T TURCO, 0000
EDWARD D TURCOTTE, 0000
JOHN N TURNIPSEED, 0000
RONALD W UHLIG, 0000
STEPHEN O ULATE, 0000
DAVID F USON, 0000
RICHARD A VACCARO, 0000
SAM J VALENCIA, 0000
WESLEY W VALUS, 0000
CHRISTOPHER E VANAVERY, 0000
TODD D VANDEGRIFT, 0000
STEPHEN J VANLANDINGHAM, 0000
JONATHON J VANSLYKE, 0000
TIMOTHY T VECCIA, 0000
BILLY J VEGARA, 0000
FRANK M VERDUCCI JR., 0000
GUSTAVO J VERGARA, 0000
JIANCARLO VILLA, 0000
PETER VILLANO, 0000
CHAD P VINCELETTE, 0000
FREDRICK S VINCENZO, 0000
JESSE L VIRANT, 0000
KEVIN S VOAS, 0000
FRANK P VOLPE JR., 0000
CHAD G WAHLIN, 0000
GEORGE A WALBORN II, 0000
PETER J WALCZAK, 0000
PHILIP W WALKER, 0000
RICHARD G WALKER, 0000
JON B WALSH, 0000
ANDREW R WALTON, 0000
DODD D WAMBERG, 0000
KJELL A WANDER, 0000
JOHN M WARD, 0000
JASON D WARTELL, 0000
DEREK L WATSON, 0000
BRUCE J WEBB, 0000
CHAD E WEBSTER, 0000
ROBERT W WEDERTZ, 0000
TODD S WEEKS, 0000
HERSCHEL W WEINSTOCK, 0000
MICHAEL C WELDON, 0000
JOHN M WENKE JR., 0000
STEWART M WENNERSTEN, 0000
MARC A WENTZ, 0000
DEREK S WESSMAN, 0000
MICHAEL T WESTBROOK, 0000
ROBERT D WESTENDORFF, 0000
JOSEPH P WHALEN, 0000
CORY J WHIPPLE, 0000
BENJAMIN W WHITE, 0000
DAVID G WHITEHEAD, 0000
MATTHEW S WHITEHURST, 0000
RICHARD S WHITELEY, 0000
WILLIAM C WHITSITT, 0000
THOMAS D WHYTLAW, 0000
JEFFREY S WILCOX, 0000
STEVEN R WILKINSON, 0000
CLAY G WILLIAMS, 0000
JEROMY B WILLIAMS, 0000
MICHAEL B WILLIAMS, 0000
THOMAS R WILLIAMS II, 0000
TIMOTHY G WILLIAMS, 0000
TROY S WILLIAMS, 0000
IAN O WILLIAMSON, 0000
BRIAN A WILSON, 0000
THOMAS A WINTER, 0000
JONATHAN R WISE, 0000
DONALD WOLFE, 0000
EUGENE M WOODRUFF, 0000
BENJAMIN R WOODS, 0000
ALAN M WORTHY, 0000
MICHAEL S WOSJE, 0000
GEORGE C WRIGHT, 0000
WALTER C WRYE IV, 0000
DONALD E WYATT, 0000
TERRI A YACKLE, 0000
MICHAEL J YAGER, 0000
MELVIN K YOKOYAMA, 0000
LAURENCE M YOUNG, 0000
PAUL D YOUNG, 0000
PHILIP W YU, 0000
MICHAEL S ZANGER, 0000
EDMUND L ZUKOWSKI, 0000
MARK T ZWOLSKI, 0000

CONFIRMATIONS

Executive nominations confirmed by the Senate July 25, 2002:

CONSUMER PRODUCT SAFETY COMMISSION

HAROLD D. STRATTON, OF NEW MEXICO, TO BE CHAIRMAN OF THE CONSUMER PRODUCT SAFETY COMMISSION.

HAROLD D. STRATTON, OF NEW MEXICO, TO BE A COMMISSIONER OF THE CONSUMER PRODUCT SAFETY COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING OCTOBER 26, 2006.

FEDERAL EMERGENCY MANAGEMENT AGENCY

ANTHONY LOWE, OF WASHINGTON, TO BE FEDERAL INSURANCE ADMINISTRATOR, FEDERAL EMERGENCY MANAGEMENT AGENCY.

DISTRICT OF COLUMBIA OFFENDER SUPERVISION, DEFENDER, AND COURTS SERVICES AGENCY

PAUL A. QUANDER, JR., OF THE DISTRICT OF COLUMBIA, TO BE DIRECTOR OF THE DISTRICT OF COLUMBIA OFFENDER SUPERVISION, DEFENDER, AND COURTS SERVICES AGENCY FOR A TERM OF SIX YEARS.

DEPARTMENT OF JUSTICE

TODD WALTHER DILLARD, OF MARYLAND, TO BE UNITED STATES MARSHAL FOR THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FOUR YEARS.

SECURITIES AND EXCHANGE COMMISSION

PAUL S. ATKINS, OF VIRGINIA, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING JUNE 5, 2003.

CYNTHIA A. GLASSMAN, OF VIRGINIA, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR A TERM EXPIRING JUNE 5, 2006.

HARVEY JEROME GOLDSCHMID, OF NEW YORK, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR THE TERM EXPIRING JUNE 5, 2004.

ROEL C. CAMPOS, OF TEXAS, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR A TERM EXPIRING JUNE 5, 2005.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

ROBERT R. RIGSBY, OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF FIFTEEN YEARS.

DEPARTMENT OF JUSTICE

ROSLYNN R. MAUSKOPF, OF NEW YORK, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF NEW YORK FOR THE TERM OF FOUR YEARS.

STEVEN D. DEATHERAGE, OF ILLINOIS, TO BE UNITED STATES MARSHAL FOR THE CENTRAL DISTRICT OF ILLINOIS FOR THE TERM OF FOUR YEARS.

THOMAS M. FITZGERALD, OF PENNSYLVANIA, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF PENNSYLVANIA FOR THE TERM OF FOUR YEARS.

G. WAYNE PIKE, OF VIRGINIA, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF VIRGINIA FOR THE TERM OF FOUR YEARS.

DAVID WILLIAM THOMAS, OF DELAWARE, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF DELAWARE FOR THE TERM OF FOUR YEARS.

EXTENSIONS OF REMARKS

PAYING TRIBUTE TO RICHARD GONZALEZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Richard Gonzalez, who has served as the Denver Regional Commissioner of the Social Security Administration since June 1998. Richard Gonzalez's innovative thinking and leadership was pivotal in guiding the Denver Region in improving Social Security services for the American Indians and Alaskan Natives. His retirement marks over thirty-seven years of Federal service and it is my honor to bring forth his accomplishments before this body of Congress and this nation.

Richard Gonzalez began his career with the Social Security Administration as a Computer Programmer in the Bureau of Data Processing in headquarters after serving in the United States Air Force. Prior to coming to Denver, he served as Associate Commissioner for Systems Requirements at SSA headquarters in Baltimore, MD. Richard also held a number of senior level information systems positions with the Social Security Administration and was appointed to the Senior Executive Service in 1994. Under Richard's leadership, Denver led national efforts to improve service delivery to rural communities by piloting outreach efforts in Northern New Mexico and Browning, Montana and partnering with the Chicago Region on a major outreach effort for three reservations in Minnesota.

Richard Gonzalez was recognized for his outstanding service to the public and the Denver Region when he was awarded a prestigious Presidential Rank of Distinguished Executive Award. He serves as the Vice Chairperson on the Denver Federal Executive Board Committee. Richard received his Bachelor of Science Degree from Towson State University and Master of Science Degree from John Hopkins University. He has received numerous citations and awards for his outstanding efforts as Commissioner. His many contributions are appreciated, and his countless hours of devotion have greatly improved the community of Denver and its surrounding areas. Richard is a devoted father and husband, and he cherishes the support and encouragement his family has provided throughout his career. He is married to Dr. Sylvia Simpson, and has two sons, Dan and Mathew.

Mr. Speaker, it is a great privilege that I recognize Richard Gonzalez and his contributions to the City of Denver and this nation. His efforts have greatly helped many people throughout our country and I am proud to recognize him before this body of Congress today. Congratulations on your retirement Richard, and good luck in your future endeavors.

HONORING RETIRING MADERA POLICE OFFICERS

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Madera Police Chief Jerry Noblett, Commander Michael L. Jeffries, Sergeant Leon C. George, Detective Walter Dale Padgett, and Crime Prevention Officer Joe R. Garza on the occasion of their retirement from the Madera Police Department. A retirement celebration will be held for these dedicated individuals on July 20, 2002.

Chief Jerry Noblett's efforts have made a tremendous impact on the Madera Police Department. He began his law enforcement career as a reserve deputy in 1972, and in 1973 he was appointed as a police officer. Jerry obtained a bachelors degree in Criminology from California State University, Fresno. He swiftly moved up the ranks and, in 1977, was promoted to the rank of sergeant in the patrol division. When Chief Colston retired, in July 1997, Jerry was promoted to Chief of Police. Chief Noblett's contributions have been expansive through his career in law enforcement, but Jerry has also served the community by participating on many boards, including the Madera Chamber of Commerce and the Madera Kiwanis.

Commander Michael L. Jeffries began his law enforcement career with Madera in August of 1972. He earned the department's Medal of Valor in 1996 for his bravery in the handling of a barricaded suspect. Sergeant Leon C. George also joined law enforcement in 1972, but began his career in Los Angeles. He joined the Madera Police Department in December of 1984 and has received many commendations for his performance. Police Officer Walter Dale Padgett began his career in October of 1970 with the Madera Police Department. He was chosen as the Police Officer of the Year for the department in 1997. Crime Prevention Officer Joe R. Garza's law enforcement career originated in Fresno in June of 1977. Two years later he joined the Madera team, and has worked on a range of cases, including being the first Crime Prevention Officer in Madera.

Mr. Speaker, I rise today to congratulate these men on the occasion of their retirement. I invite my colleagues to join me in thanking them for their service to the community and for their valor.

SENSE OF CONGRESS THAT FEDERAL LAND MANAGEMENT AGENCIES IMPLEMENT WESTERN GOVERNORS ASSOCIATION ''COLLABORATIVE 10-YEAR STRATEGY FOR REDUCING WILDLAND FIRE RISKS TO COMMUNITIES AND THE ENVIRONMENT''

SPEECH OF

HON. JOHN R. THUNE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 2002

Mr. THUNE. Mr. Speaker, I rise today in support of H. Con. Res 352, a resolution expressing the Sense of Congress to fully implement the Western Governors Association ''Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment'' and to prepare a National Prescribed Fire Strategy that minimizes risks of escape.

More than 7.4 million acres burned during the 2000 wildfire season—equivalent to a three-mile-wide swath from Washington, D.C. to Los Angeles, California and back—destroying 861 structures, killing 16 firefighters and costing the federal government $1.3 billion in suppression costs. Upon completion of the 2001 wildfire season, 81,681 fires burned 3,555,138 acres, which threatened rural communities nationwide and killed 15 firefighters. To date, the 2002 fire season has consisted of 50,168 fires burning 3,632,508 acres.

In South Dakota the Black Hills National Forest has had several small fires this fire season. We have been fortunate that firefighters have been able to contain the fires quickly and that very few structures have been burned. However, I am concerned about the future of the Black Hills and the other public lands in the West.

According to the General Accounting Office, ''the most extensive and serious problem related to the health of national forests in the interior West is the over-accumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable and catastrophically destructive wildfires. According to the U.S. Forest Service, 39 million acres on national forests in the interior West are at high risk of catastrophic wildfire.''

It is clear that this is a result of poor forest management decisions. Because of years of litigation in the Black Hills, the Beaver Park Area of the forest is under high risk of wildfire. The mountain pine beetle epidemic has killed thousands of trees in this area which is fuel for a large crown fire waiting to happen. The Forest Service has had their hands tied by litigation and have not been able to control this problem.

Also, in the Black Hills, the Norbeck Wildlife Preserve is also at risk because of considerable over-growth of ponderosa pine. The dry weather conditions in conjunction with the over-growth is a concern to all that live and work in the Black Hills. This area is only a few

miles from Mt. Rushmore, where summer attendance averages 25,000 daily.

Thank you for the opportunity to speak to this issue. The time is now for Congress to express its concern for the future of our public lands and the risk of wildfire in the West.

DISAPPROVAL OF NORMAL TRADE RELATIONS TREATMENT TO PRODUCTS OF VIETNAM

SPEECH OF

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 2002

Mr. BEREUTER. Mr. Speaker, this Member would like to express his opposition to H.J. Res. 101, which would provide for the disapproval of the Bush Administration's extension of the waiver of Jackson-Vanik trade restrictions on Vietnam. In considering the disapproval resolution, it is important, of course, for us to recognize what the Jackson-Vanik waiver actually does and does not do.

By law, the underlying issue here is about emigration—the freedom for their citizens to leave Vietnam in order to live in another country. Based on Vietnam's record of progress on emigration and its continued cooperation on U.S. refugee programs over the past year, renewal of the Jackson-Vanik waiver will continue to promote greater freedom of emigration. Disapproval would, undoubtedly, result in the opposite.

Actually continuing the Jackson-Vanik waiver for Vietnam is really also reflective of an American interest in further developing a positive relationship with that country and its people. Having lifted the trade embargo and established diplomatic relations five years ago, the United States has tried to work with Vietnam to normalize, incrementally, our bilateral political, economic and consular relationships. Such an effort, if it brings positive results, is in America's own short-term and long-term national interest. It complements and tests Vietnam's own policy for political and economic re-integration into the world. No doubt such a re-integration will be a difficult and perhaps lengthy process. However, there is certainly no compelling rationale for reversing course on gradually normalizing our relations with Vietnam.

Now, for example, Vietnam reportedly continues to cooperate fully with our priority efforts to achieve the fullest possible accounting of American POW–MIAs. The granting of a Jackson-Vanik waiver has contributed to this cooperative process.

Mr. Speaker, the Jackson-Vanik waiver certainly does not constitute an endorsement of the Communist regime in Hanoi. Of course, we have made it abundantly clear that we do not approve of a regime that places severe restrictions on basic freedoms, including the right to organize political parties, freedom of speech, and freedom of religion. We condemn such restrictions. On many occasions, with this Member's support, this body passed resolutions condemning just such violations of civil and human rights.

The Jackson-Vanik waiver does not provide Vietnam with any new trade benefits, including Normal Trade Relations (NTR) status. However, with the Jackson-Vanik waiver, the United States has been able to successfully negotiate and sign a new bilateral commercial trade agreement with Vietnam. Congress will have an opportunity to decide in the future whether to again grant a waiver and decide, eventually, whether Vietnam deserved to be considered for NTR. But, that is a separate process—for the future. The renewal of the Jackson-Vanik waiver only keeps this process of improved cooperation and progress going forward.

Finally, it also is important to note that the renewal of the Jackson-Vanik waiver does not automatically make American exports to Vietnam eligible for possible coverage by U.S. trade financing programs. The waiver only allows American exports to Vietnam to be eligible for such coverage.

Mr. Speaker, the Vietnam War is over and we have embarked cautiously on a new and expanding set of relationships with Vietnam. Now is not the time to reverse course. Accordingly, this Member supports the Administration's request by voting ''no'' on the resolution of disapproval.

PAYING TRIBUTE TO STEPHANIE HERRERA

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to congratulate an outstanding individual from Colorado whose hard work and commendable deeds have recently earned her the Minority Small Business Advocate of the Year award. Stephanie Herrera of Denver, Colorado is described as a small business owner, insurance professional, professor, dancer, mentor, community activist, and caring friend. Stephanie believes that ''when you want to get something done, find a busy person'' which is precisely how she has been described, and I am honored to bring forth her accomplishments before this body of Congress and nation.

Stephanie's efforts are currently focused on children, helping other small businesses, continued active involvement in the Denver Community, her own business, and her husband of eight years, Dan Herrera. She is also currently pursuing a Doctorate degree in Business Administration with an emphasis in International Marketing, while finding time to teach management and marketing classes at the Community College of Denver. A long believer in community service, she is the founder of and director of Dancers of Americas, a multi-cultural dance program that focuses on providing young girls, predominantly from low-income families, the opportunity to dance.

The Colorado Enterprise Fund has recently recognized Stephanie for her work at North High School in northwest Denver called Bizworks. Bizworks is a youth entrepreneurial program designed to build the skills and capacity of next generation entrepreneurs promoting self-employment and business ownership as a career choice among high school aged youth.

Mr. Speaker, it is clear that Stephanie Herrera is a woman of great dedication and commitment to her professions and to the children of Denver. Her success is well earned and I am honored to bring forth her accomplishments before this body of Congress and this nation. Stephanie is a remarkable woman and it is my privilege to extend to her my congratulations on her selection for the Minority Small Business Advocate of the Year award. Stephanie, congratulations, and all the best to you in your future endeavors.

ARIZONA'S VOICE OF DEMOCRACY SCHOLARSHIP RECIPIENT

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. STUMP. Mr. Speaker, the Veterans of Foreign Wars and its Ladles Auxiliary have a long history of promoting patriotism and values through its Voice of Democracy audio and essay competition. The program, now in its 55th year, requires high school student entrants to write and record a three to five minute essay on a theme. This year, the theme, ''Reaching Out to America's Future,'' attracted more than 85,000 student entrants nationwide.

Mr. Speaker, it is my pleasure to announce that Alison Boess, who resides in the Third Congressional District of Arizona, is a national winner of the Veterans of Foreign Wars Voice of Democracy Scholarship. Alison, a senior at Ironwood High School, was among 58 national scholarship recipients in the 2002 Voice of Democracy Program and the recipient of the Department of Pennsylvania Joseph L. Vicites Memorial Award. VFW Post 1433 and its Ladies Auxiliary in Glendale, Arizona sponsored Alison. I am pleased that Alison was among the 58 national scholarship recipients. I commend Alison's efforts and call to the attention of my colleagues Alison's award winning script on ''Reaching Out to America's Future.''

2001–2002 VFW VOICE OF DEMOCRACY SCHOLARSHIP CONTEST—REACHING OUT TO AMERICA'S FUTURE

(By Alison Boess)

Imagine yourself in a life where freedom, dignity and the acquisition of knowledge have been stripped from you. The walls surrounding you are dark with grim mortality and incarceration, imposed by a government that views you as a threat to its authority. Your beaten body rests heavily in the prison cell, immersed with thoughts of your family's safety and the terror they are to suffer through. Perpetual gunshots keep your heart darting wildly in your chest. Outside the walls that have become your asylum, your wife and children attempt to flee from their fate, but are shot dead by their assailants. Your people have been overcome by a government that withholds basic God-given rights and affords you no control over your conditions.

This is not a dramatization of what could be. It is an image of what already is, right now, in countries currently run by powers over which citizens have no influence—an image far outside the experience, understanding, and appreciation of most American youth.

The idea that the future of America depends upon its youth is a widely received and valid notion. French statesman Alexis de Tocqueville observed that ''Among democratic nations, each new generation is a new people.'' Bearing that in mind, the responsibility that our new generation understands

and values the principles of democracy falls squarely on the shoulders of our parents, leaders, and educators.

Parents face the task of bringing up their children to be moral and upstanding members of the community. To be a good citizen, one needs to embrace not only the rights, but also the responsibilities of living in a democracy. Voting for officials is one of the key components. Voters must be well-informed so they-can choose the candidate who will truly represent their beliefs and concerns. John F. Kennedy commented that ''The ignorance of one voter in a democracy impairs the security of all.'' If parents demonstrate a desire within themselves to be knowledgeable about those who they vote for, then their children will see this as the proper example of responsible voting. Citizenship and morality are also important attributes that parents should teach to children. While democracy promotes freedom of speech, it also calls for citizens to respect the ideas and opinions of others. Accordingly, children should be taught to listen to what others have to say with the same enthusiasm with which they speak their mind. In addition, if youths are clearly taught the difference between right and wrong, then they can adhere more effectively to laws. Parents serve a vital role by reaching out to their sons and daughters to teach them lessons in civility that result in an understanding and appreciation for democracy.

Leaders and politicians need to exemplify the ideals of democracy in our world. It is their duty to honor the wishes of those they represent in order to show the effectiveness of voting. Leaders also should embrace and fill the role of a diplomatic and law-abiding citizen so that future generations of politicians may look to them for good example. Politicians would be well suited to speak to classes or youth groups about what being a leader in a democracy means. If our nation's leaders reach out to our young generation, they will help to ensure the comprehension of our government and safeguard its liberties with the abilities of tomorrow's leaders.

It is hard for students to imagine what life would be like without the presence of a democratic government system. Young Americans have taken democracy for granted because it is the only form of government they have truly understood. It is far easier to appreciate the impact of restrictions imposed on foreign populations when the events occur during the student's lifetime. Educators can play a crucial rate not only by teaching the history of oppressive governments, but by describing and detailing situations in the present where the people's lack of power has resulted in an unjust and often corrupt system. Recently, for instance, our attention has turned to impoverished countries in the Middle East such as Iraq and Afghanistan, and many are beginning to see for the first time the demoralizing conditions under which many of the world's people live. As important as our history is. current events are more persuasive and influential learning resources because they help students directly empathize with those suffering under tyranny. Educators will instill in students an earnest appreciation for the democracy they live in if they can open the eyes of students by revealing the circumstances of those for whom democracy is not a reality.

Many of the youth in this nation have not had the opportunity to truly appreciate America's democracy. The harrowing account of the reality of others must not go unacknowledged and our own reality must not go unappreciated. If the parents, leaders, and educators reach out to America's youth and reveal to them why this system is looked to as an example by all the world, then interest and the desire of youths to participate will be exponential. We must instill in youth the values of democracy and the importance of its endurance within our nation in order to ensure the strength of the American democracy for generations to come.

DONNA EULER: ANGELS IN ADOPTION AWARD

HON. C.L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. OTTER. Mr. Speaker, today I rise to recognize the achievements and service of Donna Euler of Coeur d'Alene, Idaho.

Donna has served as the Adoption Coordinator with Lutheran Community Services Northwest, located in Coeur d'Alene, Idaho for 16 years. Prior to her work at Lutheran Community Services she served the State of Idaho by providing adoption services for families and children. For years Donna has been instrumental in placing numerous children in good homes with good parents.

Donna has continually utilized her expertise in adoptions to enhance adoption services in the State of Idaho. In 1992–93 she served on Idaho's Adoption Task Force to improve adoption practice within the State.

In 1996, she participated in the Idaho Focus group that implemented the President's Adoption 2002 Initiative in Idaho.

In 1999, Donna served on the Idaho Children's Treatment Rulemaking Project to assess and gather public input on the revised rules and regulations for licensure of children's agencies and foster homes.

Her knowledge, passion, and commitment are unmatched. I am pleased I am able to nominate her for the Congressional Coalition on Adoption's Angels in Adoption Award.

HONORING RICHARD DARMANIAN

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Richard Darmanian. Mr. Darmanian is being honored for ''50 years of service to his community'' at the annual banquet of the Armenian National Committee of Central California.

Mr. Darmanian has lived in California's Central Valley since he was a young man. He graduated from Caruthers High School and received his B.A. in History and his Masters Degree in Guidance & Counseling from California State University, Fresno. Richard began teaching at Roosevelt High School in Fresno; where he also served as counselor and Dean of Boys. In 1969 he moved to Edison High School where he became principal in 1972. Shortly thereafter, he moved to Hoover High School as Principal.

Richard served his community through his active involvement within the school system, but at the same time he contributed greatly through other organizations. He became a member of the Armenian Cultural Foundation in 1950, and served as a member of the Regional Executive Committee and the Central Executive Committee. Mr. Darmanian's educational expertise was well utilized when he became a founding member of the Armenian Community School of Fresno. He is also a very spiritual man who has been highly involved in the Holy Trinity Apostolic Armenian Church, where he was a member of the Board of Trustees and a member of the Executive Council of the Western Prelacy of the Armenian Apostolic Church of North America.

Mr. Speaker, I rise today to honor Richard Darmanian for his recognition by the Armenian National Committee of Central California for his years of service. I invite my colleagues to Join me in thanking him for his tremendous service to the community and for his dedication to excellence.

PAYING TRIBUTE TO JENNIE ADRIAN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to the Southeast Colorado Cattlewoman of the Year, Jennie Adrian of La Junta, Colorado. Jennie was chosen for Cattlewoman of the Year because she possesses all the specific traits of a great Cattlewoman. She is dependable, caring, smart, trustful, creative, and a hard-working partner in a ranching family. She is a generous soul whose good deeds and generous acts certainly deserve the recognition of this body of Congress, and this nation.

Jennie was born in La Junta, Colorado and lived on a ranch near Kim until her family moved to Prescott, Arizona, where she finished school and later met her husband. Together they moved to Aspen, Colorado where they bought a ranch near Salida and raised their two children, Rusty and Audra. Jennie first became involved in Cowbelles in Chaffee County in 1967 where she served as Chairman for several committees and held several offices including President in 1981. She currently holds the office of Cowbelle Vice President in Otero County.

Mr. Speaker, Jennie Adrian has proven herself to be a committed mother and wife as well as an extraordinary Cattlewoman and it is my honor to congratulate Jennie on her most recent and well-deserved award before this body of Congress and this nation. Congratulations Jennie and good luck to you and your family in all your future community endeavors.

A SPECIAL TRIBUTE TO SISTER MARY MICHEL ON HER RETIREMENT FROM THE TEACHING PROFESSION

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to a very special teacher who has touched many lives. Seldom do we acknowledge the importance of the job or the depth of a teacher's commitment to our children. While

many people spend their lives building careers, teachers spend their careers building lives. For this they deserve our support, praise and gratitude.

One teacher in particular deserves special recognition, Sister Mary Michel. After 58 years of touching the lives of countless children she has entered into retirement. Sister Michel has truly been a valued asset to those students, both in my district and the entire State of Ohio, in which she has been in contact. The children she has taught will become our future leaders, scientists, and teachers.

Sister Michel's long and distinguished career began in the same area where she grew up, as a native of Sandusky, Ohio. After receiving her degree from Mary Manse College in Toledo, Ohio, and completing graduate work at St. Louis (Missouri) University, Sister Michel returned to the area to begin teaching elementary school at St. Mary Catholic School in Toledo. From that monumental day in 1944, Sister Michel has since served as an administrator and an intermediate schoolteacher. Until her recent retirement, Sister Michel spent the last 18 years educating the children of St. John Elementary in Delphos, Ohio. Not only is Sister Michel a remarkable teacher, but she also is a woman of deep faith who has been greatly involved in the parish communities of which she has served.

Year after year professionals dedicate their lives to the future of America. There is no more important, or challenging, job than that of our nation's teachers. The job of a teacher is to open a child's mind to the magic of ideas, knowledge, and dreams. Also, teachers are the true guardians of American democracy by instilling a sense of citizenship in the children they teach. Teachers not only educate but also act as listeners, facilitators, role models, and mentors, encouraging our children to reach further than they would have thought possible. Teachers continue to influence us long after our school days are only memories.

Mr. Speaker, I would ask my colleagues to join me in paying special tribute to Sister Mary Michel. Numerous school children have been served well through the diligence and determination of dedicated teachers, like Sister Michel, who dedicate their lives to educating our youth. I am confident that Sister Michel will continue to serve her community and positively influence others around her, We wish her the very best on this special occasion.

TRIBUTE TO FRED SHONEMAN

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. DICKS. Mr. Speaker, earlier this month one of the most visionary builders of my home community of Bremerton died, leaving a legacy of public works improvements that made the City a better place in which to live and work. Fred S. Shoneman spent the early part of his career working for the City of Bremerton, serving for a long tenure as the Public Works Commissioner. Later he served for many years as a Commissioner of the Port of Bremerton. During this time, I enjoyed working with him and I was always impressed by his vision and his desire to solve problems that confront cities in transition such as Bremerton. Fred loved Bremerton for what it was, and even more importantly for what it could be—and that was the secret of his vision. As Public Works Commissioner, he oversaw the locations of bridges that were essential for the growth of the city and its major public employer, Puget Sound Naval Shipyard. He took care of the public works needs of our neighborhoods and small business districts, and he made sure the city's infrastructure was kept up to date. His later contributions as Port Commissioner represented an era of growth for Bremerton National Airport as well as a time of substantial new construction at the marinas. In all of these works he was serving the public: he was a man who was constantly available and seeking input from citizens in order to do his job better. What was most remarkable about Fred, and what was certainly evident at the Memorial Service held at the Manette Community Church, was his positive attitude that was almost contagious. Everyone who worked with him and around him appreciated the way he was always more focused on how we CAN get things done, rather thinking up reasons why we should not. So in addition to his legacy of public works, Mr. Speaker, I wanted to note today in the House of Representatives that Fred Shoneman has also left a great legacy of friendship in Bremerton. I am proud to say that I was among those who knew him, who worked with him, and who are greatly saddened by his passing. I would like to enter into the Record the full text of the news story in The Sun, Bremerton's daily newspaper, noting how much Fred left an indelible mark on our city.

CIVIC ICON LEFT MARK ON CITY

(By Elena Castañieda)

Long-time Bremerton public servant Fred Schoneman died Saturday.

The 88-year-old succumbed to complications from asbestosis, a lung disease, son Noel Schoneman said.

As word spread Monday of Schoneman's death, his friends and family recalled his sense of humor, love of music and persistent work ethic.

''He was a great friend and a great friend to the city of Bremerton,'' said local attorney Gordon Walgren.

A city of Bremerton employee for 31 years and Port of Bremerton commissioner for 12 years, Schoneman left his mark all over the city, most notably with the Fred S. Schoneman Overpass that connects 11th Street to Kitsap Way in Bremerton.

Schoneman worked for the city as a field engineer, then a street superintendent and finally served as Bremerton's public works commissioner from 1960 to 1978. His projects included the original layout of the Warren Avenue Bridge and the city's first two sewer treatment plants in 1948.

He oversaw creation of Gold Mountain Golf Course, widely known as one of the best public golf courses in the state.

Schoneman also served as a Port of Bremerton commissioner in two eras, first in the late 1970s and again from 1986 to 1997. During his tenure, the port made more than $4 million in improvements to Bremerton National Airport and constructed the Bremerton and Port Orchard marinas.

Sometimes, his plans didn't work out. There was a proposal to build a bridge to Seattle and develop a downtown shopping mall.

''He was a very long-range thinker, a visionary,'' said Ken Attebery, chief executive officer of the Port of Bremerton. ''He was a kind and supportive person to the staff he worked with here.''

Schoneman stood more than 6-feet tall, bringing a commanding presence into the many board, foundation and club meetings he attended.

''He walked into a room and people knew he was there,'' Walgren said.

Port Commissioner Mary Ann Huntington said Schoneman ''loved Bremerton more than anything else.''

Huntington served with Schoneman, giving him his first experience at working with a woman who was his equal, she said.

''He wasn't excited to serve with a woman,'' Huntington said. ''He didn't like women in politics. But we grew very fond of each other.''

Music was a passion for Schoneman, from his carillon bells that chime in downtown Bremerton, to his talents playing the accordion, harmonica, piano, organ and mandolin.

''He would take his accordion to conferences and entertain us with it in the evenings,'' Huntington said.

Schoneman collected life-affirming expressions.

One written on the board room wall where he held public works meetings read, ''Be not concerned, nor be surprised, if what you do is criticized.''

Son Noel said his father prepared family members for his death in recent weeks by bringing them to his apartment at Canterbury Manor for one-on-one talks.

He remembered life growing up in the Schoneman house as ''busy,'' but his father ''always found time for family. It was at least a weekly event going to the local parks.''

Schoneman knew sadness in his life, too. His first wife, Margaret, passed away in 1972.

Schoneman is survived by his second wife, Katherine Lee Schoneman of Bremerton. Other survivors include one sister, Alice Myhre of Bremerton; one son, Noel, of Sammamish; three daughters, Mary Whittaker of Seabeck, and Sue Brannon and Ellen Coombe of Bremerton; three step-children, Casimir Farley of France, Sandy Schumacher of Bremerton and Don Smith of Seattle; and six grandchildren and two great-grandchildren.

A memorial service is planned for 1 p.m. July 11 at Manette Community Church, in the same neighborhood where he raised his family.

ALLAN P. KIRBY, JR. RECEIVES ''OTHERS'' AWARD FROM SALVATION ARMY

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. KANJORSKI. Mr. Speaker, I rise today to call the attention of the House of Representatives to the well deserved recognition that my good friend Mr. Allan P. Kirby, Jr. recently received from the Salvation Army of the Greater Wyoming Valley Area.

Allan received the Salvation Army's ''OTHERS'' Award, which was presented in the area for the first time and is given to an individual or entity that has contributed substantially to the benefit of others.

He was presented with the award at the local Salvation Army's First Annual Community Recognition Dinner. The dinner's purpose is to raise money for the Kirby Family House, which is a transitional housing program for homeless people looking to make a better life for themselves through a series of classes, self-help

groups, literacy programs and job training, as well as to establish a camp scholarship fund for underprivileged children in the Greater Wyoming Valley area to attend the Salvation Army's Camp Ladore.

Allan is an entrepreneur known nationwide and a well-respected philanthropist from the Wilkes-Barre area. He was born in Wilkes-Barre and moved at an early age to Morristown, N.J. He graduated from Lafayette College, where he was a member of the Delta Kappa Epsilon fraternity. After completing officer's school, he served on active duty with the Naval Reserve. He now lives in Mendham, N.J., where he also maintains an office.

Mr. Speaker, Allan's professional and philanthropic endeavors are far too numerous to list them all here, but I would like to provide the House with an overview.

He serves as a trustee and treasurer of the Angeline Elizabeth Kirby Memorial Health Center in Wilkes-Barre, which has as its mission the preservation and promotion of the public health, particularly in Wilkes-Barre and neighboring communities, and the control and elimination of disease.

He chairs the A.P. Kirby, Jr. Foundation and the Allan P. Kirby Center for Free Enterprise and Entrepreneurship at Wilkes University. For many years, Allan has been a dedicated trustee for Wilkes University, where I served with him. He also chairs Wilkes' endowment committee. He is also president of Liberty Square, Inc., and a director and chairman of the executive committee of the Alleghany Corporation, one of the largest holding companies in the United States. Alleghany is the largest single stockholder in American Express and owns Chicago Title Insurance Company and other title and casualty insurers including a large stake in St. Paul Companies.

He is also the owner of River Ridge Farms in Sussex County, N.J. He is the father of five children and 15 grandchildren.

Allan comes from a long line of Kirbys with impressive accomplishments in both their professional and philanthropic endeavors. For example, in the 19th century, at age 23, Fred Morgan Kirby committed his entire savings of $500 in partnership with Charles Sumner Woolworth to purchase a variety store in Wilkes-Barre. Over the years the two men developed that modest investment into the enormous F.W. Woolworth Company.

Similarly, the family's commitment to helping others is also long-standing, as shown by the many organizations and community buildings built with Kirby family donations, including those I have already mentioned, as well as the F.M. Kirby Center for the Performing Arts in Wilkes Barre and the Kirby Hall of Civil Rights at Lafayette College in Easton, among many others.

Mr. Speaker, I am pleased to call to the attention of the House of Representatives the service to the community of Allan P. Kirby, Jr. and this well-deserved award, and I wish him all the best.

PAYING TRIBUTE TO WILLIAM LORENZEN

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. MCINNIS. Mr. Speaker, it is with a solemn heart that I take this opportunity to pay respect to the passing of William H. Lorenzen, who recently passed away at the age of 82. William, known as Bill, was the former owner and co-publisher of the Palisades Tribune. Bill died on May 6th in Denver, Colorado. As his friends and family mourn the loss of an outstanding patriot, father, and husband, I would like to take this moment to highlight his achievements before this body of Congress and this nation.

Bill served in the Army Air Corps as a radio operator during WWII where he successfully flew 35 combat missions in B–24's and for his valiant valor and courage, he was awarded five bronze stars, a silver star, and two Distinguished Flying Crosses. Bill's service on behalf of freedom should help serve to reinvigorate our nation's consciousness of the sacrifices made to defend this country. He met and married his wife of 56 years, Margaret Sullivan, in July 1943 while both were in the Army, beginning a family future and legacy passed down through generations. After the war, Bill was active in his civic and public communities, providing Colorado's youth an upstanding foundation. Bill established himself as a longtime businessman and leader in the Palisade community where he owned and operated the Palisade Tribune for 26 years. He served six years as Town Trustee, eight years as Mayor and five-and-one-half as Municipal Judge. Bill also played an active role in the Colorado Municipal League and was a director of the League for two terms before serving as president of the Western District of the Colorado Press Association and as a chairman on the legal committee for the Press Association.

After retiring from the Palisades Tribune, Bill joined the Palisades National Bank as director in 1982 and served on the board until his death. Bill received many distinguished accolades throughout his career including the Distinguished Service Award and was named Citizen of the Year for Palisade. Bill is survived by his three children and eight grandchildren.

Mr. Speaker, it is with great sadness that we celebrate the life of William H. ''Bill'' Lorenzen. He was a remarkable man and his impressive accomplishments certainly deserve the recognition of this body of Congress and this nation. I, along with his grateful community and loving family, will miss you Bill.

COMMENDING PARTICIPANTS IN DEFOREST RELAY FOR LIFE

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Ms. BALDWIN. Mr. Speaker, whereas, cancer tragically touches the lives of thousands of our family members, friends, and neighbors, and

Whereas, it is expected that there will be 25,300 newly diagnosed cases of cancer and 11,000 deaths related to cancer in Wisconsin this year, and

Whereas, evidence suggests that one-third of cancer deaths are related to nutrition, physical activity, and tobacco use, and could be prevented, and

Whereas, through education, prevention, early detection, and medical treatment the lives of many have been, and can be saved, and

Whereas, the people of DeForest have come together for the sixth time to participate in the American Cancer Society Relay For Life to raise money to be used in the battle against cancer, and

Whereas, in 2001 the DeForest Relay For Life raised over $131,000 that combined with the efforts of 132 other Wisconsin cities funded over $8.8 million for cancer prevention, treatment, education, advocacy, and service; and

Whereas, the 2002 DeForest Relay For Life brings us one step closer to reaching the American Cancer Society's goals of a 50-percent reduction in cancer mortality rates and a 25-percent reduction in the incidence of cancer by the year 2015, then,

Therefore, I, Representative TAMMY BALDWIN, as a member of the United States Congress and strong supporter of increased access to cancer prevention, diagnostic, and treatment therapies, commend the strides of each relay team participant, event volunteer, and the spirit of our community in this fight against cancer.

HONORING OLIVER ESPINOLA

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Oliver Espinola, a Madera County farmer, on the occasion of being selected to receive the Madera District Chamber of Commerce Salute to Agriculture's 21st Annual Senior Farmer of the Year Award.

Oliver has been involved in farming for 55 years and has lived in Madera County for 52 years. In 1951, Oliver and his family moved from Caruthers, California, to Chowchilla, California, and has been involved in farming corn, silage, hay, oats, trees, beef cattle, and dairy cattle. Mr. Espinola has served the farm industry and the community in many aspects including serving as Director and Chairman of the Danish Creamery Board and the Challenge Dairy Products Board, serving on the Board of Merced Milling Company, and on the Dairy Heifer Replacement Committee. Oliver also contributes to the FFA, 4–H, and Madera Ag Boosters. He directs and has served as president of the Chowchilla Portuguese Association, is an active member of the Elks Lodge, is active in the Catholic church, and is a member of the Young Men's Institute of the Catholic Church. For the past 30 years, Mr. Espinola and his wife, Virgie, have donated, organized and served the ice cream at the Chowchilla Fair Dairy Days. Oliver is also a contributor to the Chowchilla Historical Society and the Lions Club Eye Foundation.

Mr. Speaker, I rise today to honor Oliver Espinola for his admirable service and contributions to the farming industry. I invite my colleagues to join me in congratulating him on his outstanding achievement and wishing him many more years of success.

INTRODUCTION OF THE PREMIER CERTIFIED LENDERS PROGRAM IMPROVEMENT ACT OF 2002

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. DOOLITTLE. Mr. Speaker, I rise today to introduce the Premier Certified Lenders Program Improvement Act of 2002. This legislation makes a small but very significant change in the PCL program that will benefit hundreds of small businesses around the country without imposing any new burden on the Federal Government or U.S. Treasury.

As my colleagues no doubt recognize, small businesses are the backbone of our nation. Indeed, Dr. Lloyd Blanchard of the Small Business Administration (SBA) testified recently before Congress, ''Today, almost a quarter of American households are either starting a business, own a business, or investing in someone else's business.'' The United States economy depends on entrepreneurs whose spirit results in the creation of both new businesses and new jobs.

To continue the economic growth we are experiencing today, the Government should encourage small business development both by providing incentives for entrepreneurs and by removing regulatory hurdles. One successful example of Government encouragement of small business is the Premier Certified Lenders Program (PCLP). The PCLP, established in 1997, allows a participating Certified Development Company (CDC) the expanded authority to review and approve SBA 504 Loan requests and to foreclose, litigate, and liquidate SBA 504 Loans made under the Program. By taking on this authority, the private sector is able to stretch limited federal resources in order to help more small businesses.

To participate in the PCLP, however, a CDC is required to deposit one percent of each SBA 504 Debenture issued under the PCLP into a loss reserve account. This deposit remains in the loss reserve account until the PCLP Debenture is fully paid or until the SBA suffers a loss. The loss reserve account is designed to cover ten percent of any loss incurred by SBA as a result of a default.

The loss reserve account was made a part of the PCLP legislation to address the concern that a participating CDC would not have any perceived ''risk'' associated with its expanded authority under the Program. However, the percentages used in figuring the loss reserve accounts—the ten percent to cover any loss and the one percent of every Debenture as contribution—were determined arbitrarily and are not based on any historical loss record or risk analysis. The one percent contribution is the most egregious; the full deposit must remain in the loss reserve account even as the loan is paid down over its twenty year term and there is no accounting for the historical reduction of risk as a loan matures.

As a result of these arbitrary requirements of the PCLP, many CDCs have decided not to participate in the PCL Program. As for those who are participating, some companies have accumulated large loss reserve accounts which are far in excess of any amounts that would ever be realistically used to insure payment of their loss obligation to SBA. The long term retention of these excess reserve funds hinders participating CDCs from reaching their full potential to foster economic development, create job opportunities, and stimulate growth, expansion, and modernization of small businesses.

The legislation I am introducing today will improve the Premier Certified Lenders Program by giving participating CDCs greater flexibility. Specifically, my legislation amends the Premier Certified Lenders Program to allow willing CDCs to establish ''risk-based'' loss reserve accounts that are sufficient to protect the Government and taxpayers from default, but that do not contain excessive amounts of capital that would be better dedicated to helping additional small businesses.

Mr. Speaker, maintaining a risk-based reserve is just common sense. Other industries, such as the banking industry, have already moved from a ''loan-by-loan'' reserve to a ''pool'' reserve to cover their exposure.

Under my legislation, a participating CDC will be able to establish a risk-based reserve only if it: (1) proves itself to be an established PCL (minimum of $25,000 in its loss reserve account); (2) freely elects to develop such a reserve; (3) obtains quarterly approval from a third-party auditor that its loss reserve is sufficient to cover its risk of default; and (4) receives annual approval from the SBA. These requirements will ensure that participating CDCs are accountable and that U.S. taxpayers are protected.

I hope my colleagues will take an opportunity to review this legislation to improve the Premier Certified Lenders Program. I look forward to working with them and the Small Business Committee, chaired by my friend, DON MANZULLO, to encourage the creation and expansion of more small businesses across our nation.

PAYING TRIBUTE TO JUANITA JENNY MARTINEZ

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McINNIS. Mr. Speaker, tonight I pay tribute to the passing of Juanita Martinez, who was selflessly committed to the betterment of Pueblo. After a long battle, Juanita succumbed to the effects of cancer on June 30, 2002. As her family mourns the loss, I would like to highlight her life before this body of Congress and this nation.

Juanita Martinez was an avid dancer who provided lessons free of charge, and even bought costumes for her students! She was the first Chicana dance instructor to teach Mexican folk dancing at the University of Southern Colorado, and choreographed the dance for the Colorado State Fair's First Annual Fiesta Day celebration. She also frequently performed at Memorial Hall in Pueblo as a young Zaragoza Hall dancer, whose styles mirrored Mexican folk dances to reflect her beloved heritage. Her most famous dance escapade resulted when she performed with then-presidential candidate Ronald Reagan during a campaign stop at the Colorado Republican State Assembly. She was extremely patriotic, and always wore red-white-and-blue in her daily attire to show her devotion to her country.

Mr. Speaker, Juanita Martinez encompassed the qualities of a true community volunteer, and she and her efforts will be dearly missed. I, along with her loving family and grateful community, will mourn her loss.

JA NATIONAL VOLUNTEER AWARD OF EXCELLENCE BARBARA LYON, HUNTINGTON BEACH, CALIFORNIA

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. ROHRABACHER. Mr. Speaker, I rise to speak today about a resident of my district who is being honored by an organization which has had an immeasurable impact on America. Barbara Lyon of Bank of America is Junior Achievement's National Volunteer Award of Excellence Winner. Her efforts in Southern California have impacted nearly 40,000 students in that area over the years. Her tireless work to promote JA and support the organization in its effort to educate young people about business, economics and the free enterprise system is worthy of this recognition.

The history of Junior Achievement is a true testament to the indelible human spirit and American ingenuity. Junior Achievement was founded in 1919 as a collection of small, after school business clubs for students in Springfield, Massachusetts.

As the rural-to-city exodus of the populace accelerated in the early 1900s, so too did the demand for workforce preparation and entrepreneurship. Junior Achievement students were taught how to think and plan for a business, acquire supplies and talent, build their own products, advertise, and sell. With the financial support of companies and individuals, Junior Achievement recruited numerous sponsoring agencies such as the New England Rotarians, Boy Scouts, Girl Scouts, Boys & Girls Clubs the YMCA, local churches, playground associations and schools to provide meeting places for its growing ranks of interested students.

In a few short years JA students were competing in regional expositions and trade fairs and rubbing elbows with top business leaders. In 1925, President Calvin Coolidge hosted a reception on the White House lawn to kick off a national fundraising drive for Junior Achievement's expansion. By the late 1920s, there were nearly 800 JA Clubs with some 9,000 Achievers in 13 cities in Massachusetts, New York, Rhode Island, and Connecticut.

During World War II, enterprising students in JA business clubs used their ingenuity to find new and different products for the war effort. In Chicago, JA students won a contract to manufacture 10,000 pants hangers for the U.S. Army. In Pittsburgh, JA students developed and made a specially lined box to carry off incendiary devices, which was approved by the Civil Defense and sold locally. Elsewhere, JA students made baby incubators and used acetylene torches in abandoned locomotive yards to obtain badly needed scrap iron.

In the 1940s, leading executives of the day such as S. Bayard Colgate, James Cash Penney, Joseph Sprang of Gillette and others helped the organization grow rapidly. Stories

of Junior Achievement's accomplishments and of its students soon appeared in national magazines of the day such as Time, Young America, Colliers, Life, the Ladies Home Journal and Liberty.

In the 1950s, Junior Achievement began working more closely with schools and saw its growth increase five-fold. In 1955, President Eisenhower declared the week of January 30 to February 5 as ''National Junior Achievement Week.'' At this point, Junior Achievement was operating in 139 cities and in most of the 50 states. During its first 45 years of existence, Junior Achievement enjoyed an average annual growth rate of 45 percent.

To further connect students to influential figures in business, economics, and history, Junior Achievement started the Junior Achievement National Business Hall of Fame in 1975 to recognize outstanding leaders. Each year, a number of business leaders are recognized for their contribution to the business industry and for their dedication to the Junior Achievement experience. Today, there are 200 laureates from a variety of backgrounds.

By 1982, Junior Achievement's formal curricula offering had expanded to Applied Economics, now called JA Economics, Project Business, and Business Basics. In 1988, more than one million students per year were estimated to take part in Junior Achievement programs. In the early 1990s, a sequential curriculum for grades K–6 was launched, catapulting the organization into the classrooms of another one million elementary school students.

Today, through the efforts of more than 100,000 volunteers in the classrooms of America, Junior Achievement reaches more than four million students in grades K–12 per year. JA International takes the free enterprise message of hope and opportunity even further to nearly two million students in 113 countries. Junior Achievement has been an influential part of many of today's successful entrepreneurs and business leaders. Junior Achievement's success is truly the story of America—the fact that one idea can influence and benefit many lives.

Mr. Speaker, I wish to extend my heartfelt congratulations to Barbara Lyon of Huntington Beach for her outstanding service to Junior Achievement and the students of California. I am proud to have her as a constituent and congratulate her on her accomplishment.

IN RECOGNITION OF HEIDELBERG COLLEGE AND ITS NATIONALLY RENOWNED WATER QUALITY LABORATORY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. GILLMOR. Mr. Speaker, to encourage stewardship of our nation's water resources, and in honor of the 30th Anniversary of the Clean Water Act, Congress, along with a number of the country's governors and national organizations, has proclaimed 2002 as the Year of Clean Water. This October 18 marks National Water Monitoring Day, the day the Clean Water Act of 1972 was signed into law.

In anticipation of this date, it is with great pride that I rise today to recognize Heidelberg College and its nationally renowned Water Quality Laboratory. This outstanding institution of higher education, located in Ohio's Fifth Congressional District, has been working over the past 33 years to provide invaluable water quality research data, further protecting and restoring our rivers, streams, wetlands, lakes, and groundwater.

Heidelberg's Water Quality Laboratory is a unique monitoring, research, and educational organization with a mission to conduct research supporting state and federal water quality management programs. At the state level, in recognition of the lab's many years of service to Ohio and Lake Erie, the Water Quality Laboratory received a special Ohio Lake Erie Commission Award in 1999.

The Water Quality Laboratory is nationally and internationally recognized in scientific circles for the quality of its research and the great detail of its databases on water quality. Among U.S. studies on water quality in agricultural watersheds, Heidelberg's is the most detailed and longest in duration. The Water Quality Laboratory's well water program is unique in focusing on private rural well conditions. Scientists and government agencies frequently request data from these programs. On several occasions, the lab has provided the majority of the data available to examine regional or national water quality issues and implications for our environment and human health. Staff members are frequently consulted by both government and industry for their expertise in the interpretation of water quality data.

The college has currently undertaken an expansion of its Water Quality Laboratory facilities and is poised to make even greater contributions to the state of our nation's water quality in years to come.

Mr. Speaker, in this Year of Clean Water, Heidelberg's continued efforts to protect our nation's water resources should not go unnoticed. For that, we owe Heidelberg College our recognition, gratitude, and congratulations. I would urge my colleagues to stand and join me in paying special tribute to Heidelberg College and its nationally renowned Water Quality Laboratory, by designating the Water Quality Laboratory the National Center for Water Quality Research.

HONORING HIS EMINENCE THE MOST REVEREND JOHN T. STEINBOCK

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. RADANOVICH. Mr. Speaker, I rise today to honor His Eminence The Most Reverend John T. Steinbock for his 10th Anniversary as the Fourth Bishop of the Diocese of Fresno. The Bishop has dedicated much of his life to service within the church and Fresno is grateful to have him as a part of their community.

Bishop Steinbock was born in Los Angeles on July 16, 1937. He was ordained May 1, 1963, at the Cathedral of St. Vibiana in Los Angeles where he served as Associate Pastor and ascended to Parochial Vicar. The Most Reverend also served as President of the Los Angeles Priests Council and on the Board of Consultors to the Los Angeles Archdiocese. Reverend Steinbock was appointed Titular Bishop of Midila and Auxiliary Bishop of the Diocese of Orange, California, by Pope John Paul II, on May 29, 1984. Two years later, the Board of Consultors of the Diocese of Orange appointed him diocesan administrator. On January 27, 1987, the Reverend had the honor of being appointed 3rd Diocesan Bishop of the Diocese of Santa Rosa by Pope John Paul II. After five years of diligent service with the Diocese of Santa Rosa, Pope John Paul II appointed Bishop Steinbock as the Diocesan Bishop of the Diocese of Fresno.

The Bishop is revered for his positive attitude and as one of the few bishops who has made a hole in one! Bishop Steinbock has been instrumental in efficiently overseeing eight counties in the San Joaquin Valley. The Fresno Diocese is extremely pleased to have such a spiritual and accomplished Bishop working with them.

Mr. Speaker, I rise today to congratulate His Eminence Bishop John T. Steinbock of Fresno on his 10 years of service with the Diocese of Fresno. I invite my colleagues to join me in thanking him for his community service and wishing him many more years of continued success.

PAYING TRIBUTE TO STEVE ARVESCHOUG

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McINNIS. Mr. Speaker, today I stand before you and this nation to applaud the accomplishments of Mr. Steve Arveschoug. Mr. Arveschoug's hard work and dedication to his field, the facilitation of Colorado's water system, has truly been an inspiration to all. His practical rationalization of increasing problems proved his ability to account not only for immediate reactions to decisions, but long-term repercussions as well. He has selflessly dedicated himself to the well being of others, and he is certainly deserving of our recognition today.

Steve Arveschoug began his career managing KCSJ and KID'N radio stations, later switching to working in state and federal politics. He ran for the position of state representative in the northwest Pueblo County area and stayed in the legislature until 1992 when he retired to spend more time with his family. He later took interest in local water rights issues and began to research water policies for the State of Colorado. He worked for me as District Director and will soon be going to Cortez, where I look forward to continuing our relationship.

In 1995, Mr. Arveschoug took over the job of general manager of the Southeastern Colorado Water Conservancy District and immediately began investigating a number of perspectives in current water issues to allow him to adequately represent all the members of his district. He applied himself to his job with the utmost dedication and stood by the position that a compromise could always be reached when available water resources could be managed to serve the people, the environment, and recreational activities. He created water replacement programs for large-scale wells

and supported the Preferred Storage Options Plan, designed to enlarge sections of the Pueblo and Turquoise Reservoirs.

Mr. Speaker, it gives me immense pleasure to stand before you today and show my appreciation to Steve Arveschoug for his commitment towards the betterment of his community. I congratulate him on his new job and wish him all the best in his dedication and commitment to excellence and service and wish him luck with all of his future endeavors.

RECOGNIZING GUS PARKER AS THE NATIONAL PRESIDENT OF THE EXCHANGE CLUB

HON. SAXBY CHAMBLISS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. CHAMBLISS. Mr. Speaker, I would like to recognize and congratulate Augustus 'Gus' Parker for his recent election as president of the National Exchange Club. Gus' outstanding contribution and leadership in the Exchange Club over the years has been an extraordinary service to his community and the nation.

Gus has been a member of the Exchange Club for over thirty years. Throughout those years, he has served as president of the Macon Exchange Club, treasurer of the National Exchange, and on the national board of directors as a regional vice president.

Gus' services to the community go well beyond his work with the Exchange Club. Gus is a former math teacher in Macon, Georgia at Lanier High School. Because of his time and dedication to his students, Gus was unable to attend Exchange Club meetings while he taught school. It was only after Gus started work with the finance department at the Bibb County Board of Education that he was able to attend weekly Exchange Club meetings. Gus soon became a regular at the meetings and became involved weekly.

After being sworn in on August 3, Gus will be the head of 30,000 members in more than 900 clubs. He will be the oldest national Exchange Club president in the history of the organization and the national president from Macon. His theme, ''Believing and Achieving: It Can Be Done,'' reflects his positive attitude and dedication to the Exchange Club.

Community involvement is the key to a strong society. The Exchange Club's national project, Prevention of Child Abuse, is one endeavor that has made an incredible impact on the children of our nation. President Bush has stated that Americans should volunteer and help those in need. Gus is a man who has risen to the call of the President and volunteered for America. America needs more hard working volunteers like Gus to promote united communities.

I am extremely pleased to represent Gus in the 8th District of Georgia. Mr. Speaker, I hope you will join me in recognizing and congratulating Gus Parker on his outstanding achievements and service to our nation.

SENSE OF THE HOUSE REGARDING IMPLEMENTATION OF MANDATORY STEROID TESTING PROGRAM FOR MAJOR LEAGUE BASEBALL

SPEECH OF

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 2002

Mr. TAUZIN. Mr. Speaker, no one know precisely when it was, though most historians agree that in the 1840's, on the Elysian Fields in New Jersey, a group of men led by Alexander Joy Cartwright began to play what would later develop into baseball. In the ensuing century and a half, much has changed in America, but this magical game endures.

From Cap Anson and Cy Young to Sammy Sosa and Randy Johnson, the men who have played professional baseball have served as an inspiration to America's children, both boys and girls. As far back as the turn of the century, the great stars recognized their impact on the children of the nation. Perhaps the greatest shortstop of all-time, Honus Wagner, demanded that his name not be associated with certain products so as not to encourage children to take up vices.

The men who have played this game, our national past-time, have inspired us both with their athletic accomplishments as well as their human achievements. The list of memorable events and remarkable feats of athleticism are long: Cy Young with his 511 wins; Babe Ruth's mammoth home runs; Walter Johnson's side-arm fastball; Lou Gehrig's 2,130 consecutive game streak; Ted Williams hitting .406 in 1941, the same year Joe DiMaggio had a 56 game hit streak; the great Jackie Robinson integrating the pasttime; Bobby Thomson taking Ralph Branca deep in the ''shot heard 'round the world''; Willie Mays' unbelievable over the shoulder catch; Don Larson's perfect game in the 1956 World Series; Bill Mazeroski's home run to win the 1960 World Series; Sandy Koufax's curveball; Bob Gibson's intimidation; The Amazin' Mets incredible run in 1969; Carlton Fisk waving the home run fair in game six; Reggie Jackson's three home runs in 1977; Nolan Ryan's seven no-hitters and 5000+ strikeouts; Kirk Gibson hobbling out of the dugout to hit the game-winning home run in the 1988 World Series; Joe Carter ending the 1993 World Series with a home run in the bottom of the ninth; Edgar Renteria winning an improbable World Series for the Marlins with an extra-inning single; Cal Ripken breaking Gehrig's streak; the Mark McGwire/Sammy Sosa home run duel; and just last year, the heroics of Derek Jeter and Scott Brosius eclipsed by the timely hitting of Luis Gonzalez in one of the best World Series of all-time, the very same year that Barry Bonds hit 73 home runs. These are just a few of the moments which have defined our game for more than 150 years and have inspired countless Americans. Baseball is truly the all-American game—one that carries special meaning for rich and poor and people from all walks of life.

But there is a dark cloud gathering over the game. People have quietly spoken about steroid abuse in baseball for the past decade or so, but since there was no steroid testing, it was only talk. Now, however, we're told by former National League MVP Ken Caminiti that up to half of all baseball players are using steroids.

Who knows what the exact number is? However, it should be noted that baseball is one of the few professional sports that does not test for performance enhancing drugs. Football, basketball and the Olympics all ban and test for the use of steroids, but regrettably, baseball does not enforce its ban.

Unfortunately, the specter of steroids over our national pastime threatens the credibility of the game. Numerous studies have shown the deleterious health effects steroids have on users. Steroids have been linked to liver damage, kidney-failure, heart disease and brain tumors. And now tens of millions of children are receiving mixed messages about these dangerous drugs. Boys and girls see their idols admit to steroid usage and become desensitized to the drugs' dangers.

It's long past time when Major League Baseball put an end to the mixed messages children are receiving about steroid usage. Mandatory testing of players for performance enhancing drugs is simple common sense. It should not require negotiations between the Owners and the Players Association.

Walt Whitman once said that he saw great things in baseball. This is a game that transcends time, inspires hope in the downtrodden and-due to the incredible achievements, personalities and graciousness of such players as Babe Ruth, Jackie Robinson and Cal Ripken—unites the social fabric of our country. Its place in the pantheon of American culture should be protected from all who seek to tarnish its image.

My friends, now is not the time for America's pastime to disappoint its fans or set a bad example for our youth. Professional baseball players have an opportunity to lift a dark cloud from this most cherished game. They can move immediately to a new era of mandatory drug testing for performance enhancing drugs. This should not be the subject of a great national debate. Rather, players should recognize a simple fact: America's children are watching you. You are their role models. Children will learn from your actions.

Mr. Speaker, I thank you for moving this resolution to the floor. I commend Mrs. Johnson for focusing on this important issue and allowing me to reminisce on the importance of our national pastime. There can be nothing more important than setting a good example for the youth of our country. This resolution reflects that fact and tries to restore some of the pride our nation feels for this timeless sport.

RECOGNIZING TWENTY YEARS OF SERVICE OF THE LINKS INC.—SOUTHERN MARYLAND CHAIN CHAPTER

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. HOYER. Mr. Speaker, I rise today to recognize the 20'h Anniversary of the Links, Inc.—Southern Maryland Chain Chapter. The Links, Inc., is an organization of nearly 10,000 women with 270 chapters located in 40 States, the District of Columbia, Nassau, Bahamas and Frankfort, Germany. Members are

individual achievers who are making a difference in the communities and lives of African Americans and persons of African decent across the globe.

The Links, Inc.—Southern Maryland Chain Chapter began in 1980 as an interest group led by the visionary Albertine T. Lancaster. After two years of community projects within Calvert, Charles and St. Mary's counties, the 26 dynamic women were installed into the Links, Inc.

Today, President Sandra Billups and the Southern Maryland Chain Chapter have 30 members who continue to build links of service to those in need. The Chapter is strongly rooted in building friendships and volunteering their services to fill needs locally and globally. The work of these dedicated women has created financial opportunities and support to so many.

Today, I ask my colleagues to join me in congratulating the dedicated, distinctive and diligent women of the Links, Inc.—Southern Maryland Chain Chapter for 20 years of outstanding service to Southern Maryland communities. The Links, Inc. continue to sponsor such projects as the Annual College Scholarship, African American Family Fun Fest, Annual Civic Luncheon, Project Lead: High Expectations and Tri-County shelters.

Mr. Speaker, I am proud of the Links, Inc.—Southern Maryland Chain Chapter and the virtuous women that serve daily for their commitment to excellence and am honored to recognize their many contributions to making Southern Maryland a stronger, more responsive community.

PAYING TRIBUTE TO FRED STAHL

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. MCINNIS. Mr. Speaker, today I have the honor of recognizing the accomplishments and life of Fred Stahl, of the Western Slope of Colorado. For the past twenty-five years, Mr. Stahl has greatly contributed to the preservation of Colorado's resources in his duties at the Plant Insectary Division of the Colorado State Department of Agriculture. His selfless contributions to his community are quite deserving of our recognition and I am honored to bring forth his accomplishments before you today.

Fred Stahl began his environmental preservation career after he graduated from Colorado State University in 1977 with a Masters of Botany and Plant Pathology. When he joined the Plant Insectary Division on April 22, 1977, he immediately began working to reverse the adverse impact of immigration to the ecosystem in Colorado, which were caused by the transportation of unnatural organisms from other countries. He is credited with reducing the amount of pesticide use in Colorado by providing farmers with alternative, environmentally safe methods of pest control. These new methods of pest control have lowered agricultural production costs, decreased the amounts of toxins deposited into the environment, and offered various pest-control options to the farming community.

Mr. Speaker, I stand before you to show my appreciation to Mr. Stahl for his efforts to preserve the environment and natural beauty of Colorado. He has truly set an example for not only his community, but also the entire state. I am honored to praise his accomplishment before this Body of Congress and this nation today. Good luck to you, Fred in your retirement and all your future endeavors.

RECOGNIZING MATTHEW J. HOGAN FOR HIS APPOINTMENT AS DEPUTY DIRECTOR OF THE U.S. FISH AND WILDLIFE SERVICE

HON. MIKE THOMPSON

OF CALIFORNIA

HON. CHARLES W. "CHIP" PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. THOMPSON of California. Mr. Speaker, we rise today to congratulate Matthew J. Hogan on his appointment by Department of Interior Secretary Gale Norton to be the Deputy Director of the U.S. Fish and Wildlife Service.

Since 1998 Matt has served as the Director of Conservation Policy for the Congressional Sportsmen's Foundation and will be leaving on July 26th to assume his new position with the U.S. Fish and Wildlife Service.

During his four years at the Congressional Sportsmen's Foundation Matt was the liaison between the hunting, fishing and conservation community and the Congressional Sportsmen's Caucus, on which we serve as co-chairs. Matt has played an important role in increasing the value of the Caucus to the hunting and fishing community and furthering the Foundation's role as a conduit between the two.

Before his tenure at the Congressional Sportsmen's Foundation Matt served as the Government Affairs Manager for Safari Club International where he was the liaison to Congress on hunting and conservation issues. Prior to that, Matt was a Legislative Assistant, and later Legislative Director for the Honorable Pete Geren (D–TX).

Mr. Speaker, it is appropriate that at this time to recognize Matthew J. Hogan for his outstanding service to the sportsmen, wildlife conservation organizations and the Congressional Sportsmen's Caucus. We believe his dedicated service will continue with his appointment as Deputy Director of the U.S. Fish and Wildlife Service. Please join us in congratulating him and wishing him the best of luck.

EXPRESSING CONCERNS ABOUT THE FEDERAL BUDGET

HON. NORMAN D. DICKS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. DICKS. Speaker, since the passage of the President's tax cut bill last year, I have been very concerned about the effects such a massive decrease in federal revenues could have on our ability to meet the other critical needs of the United States—Social Security, Medicare, education and national security among them. In Monday's New York Times, Janet Yellen, a professor of economics and business at the University of California at Berkeley, wrote this interesting analysis of the tax cut and its long term effects on the national economy. I would like to submit this article for the RECORD for consideration by my colleagues.

[From the New York Times, July 22, 2002]

THE BINGE MENTALITY IN THE FEDERAL BUDGET

(By Janet Yellen)

BERKELEY, CALIF.—We read in the news of the plight of older Americans as their nest eggs, invested in the stock market, have dwindled. Some can no longer afford to retire as planned; others are going back to work.

The stock market binge of the late 1990's, with its dreams of double-digit gains as far as the eye could see, was based on illusion, not reality. Now we know it. Irrational exuberance fed the bubble. Accounting tricks that inflated reported corporate earnings reinforced investor optimism. Insiders reaped huge gains; investors and employees saw their savings tank.

Another equally pernicious set of illusions—created by the same binge mentality—surrounds the federal budget, but has so far received less public notice because the negative effects have not yet surfaced. The budget binge is supported by the same kinds of unrealistic projections of future revenues, low-balling of spending and obfuscatory accounting that are now the focus of the Wall Street scandals. But the impact in this arena could prove even more enduring than the current problems on Wall Street. Those counting on Social Security for their retirement, along with future taxpayers, in due course will be left high and dry.

The perpetrators of the budget binge—President Bush and Congress—are sacrificing the public's long-term welfare for their own short-term political gains. In the case of Enron, the company's long-run stability was sacrificed for inflated stock prices in the short run. In the case of the federal budget, the health of Social Security and other programs is being sacrificed for unaffordable tax cuts. The motivation is the same: the decision makers don't believe they should be accountable for the long-run problems. Kenneth Lay walked away from Enron with millions. And the president and most lawmakers in Congress will be gone from office before the effects of the budget policies are fully felt.

Americans are told that we can have it all: more defense and more education; more homeland security and more agricultural subsidies; and a Medicare prescription drug benefit, in addition to last year's multi-trillion dollar tax cut. On top of all this, we're told that it's possible to fix Social Security—which is expected to exhaust its trust fund in 2041 if no action is taken.

These promises, of course, did not add up even in official budget projections, which unrealistically assumed no growth at all in inflation-adjusted discretionary spending, no relief for the 33 million taxpayers who, in the absence of a remedy, will unexpectedly face an alternative minimum tax, and the expiration without renewal of popular business tax incentives like the research tax credit. None of this could be sustained in reality. But the problem is even worse than merely having too little in federal revenues to do what politicians promised voters. The deeper problem is that the wayward budget takes off the table the resources that are needed to reform Social Security if we are to avoid politically unacceptable benefit cuts.

In his campaign, George W. Bush promised that Social Security could be repaired painlessly, by allowing younger workers to divert

a portion of their Social Security payroll tax into individual accounts. Since the stock market has historically offered higher returns than government bonds and substantially higher returns than Social Security, he suggested that such new-found investment freedom would repair the finances of the retirement system. With the fall in the stock market we now see that a secure, defined-benefit pension has its merits after all. Imagine the political pressures for bailouts in the face of the current stock market decline if Social Security included individual accounts!

Even absent the failing stock market, privatization of Social Security has a fatal flaw: it can only be achieved at huge budgetary cost. Under the current system, the younger generation's payroll taxes pay the older generation's benefits. If Social Security is privatized, so that the younger generation diverts part of its taxes into individual accounts, then the government must finance, at enormous cost, the retirement of the older generation. It's like a family that hands down its clothes from one brother to the next: if somewhere along the way a brother gets to keep his clothes, the family has to head to the mall.

The price tag for the missing generation of clothes was disclosed in December, but without the emphasis it deserved, in the report of the President's Commission to Strengthen Social Security. This commission was supposed to devise a scheme of individual accounts without jeopardizing the benefits of current or near-term retirees. Two plans proposed by the commission would eliminate the long-term deficit in Social Security. Both plans entail large benefit reductions for future retirees while still requiring substantial infusions of cash into the Social Security system.

This is the bottom line: there is no silver bullet to fix Social Security. Any realistic plan is likely to require a lot of cash to make it politically viable. Yet Mr. Bush allocates trillions of dollars to permanent tax cuts, mainly for the rich, and not a single additional dime to Social Security. Forgoing parts of the president's tax cut that will take effect over the next decade could provide the funds necessary to address the Social Security gap.

We can't afford this budget binge of irresponsible tax policies based on unrealistic accounting. Earnings projections that sounded far too good to be true on Wall Street have turned out to be illusions, even though the public desperately wanted to believe in those numbers. The same is true with bad numbers in the federal budget—the principles of arithmetic can't be denied. If the tax cuts are left in place, high-income individuals, including billionaires exempted from estate taxes, stand to gain while future retirees and taxpayers will lose.

President Bush has called for honest accounting in corporate America. The administration could set an example with an honest budget that ensures that retirees will have the nest egg they depend on most, their Social Security benefits. And to make that a reality, Congress should repeal the tax cuts that have not yet been phased in.

HONORING DR. JAMES POWERS FOR HIS SERVICE TO MIDDLE TENNESSEE

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. TANNER. Mr. Speaker, I rise today in recognition of my long-time personal friend, Dr. James M. Powers, for his invaluable dedication and leadership to our community. Dr. Powers is a past mayor of Waverly, Tennessee, and has run one of middle Tennessee's largest private dental practices. He has proven time and time again that he is a leader among his peers, and now all our best wishes go with him and his family as he settles into retirement.

Dr. Powers contributed to the community through his political leadership. He was elected mayor of Waverly and served in that position for 19 years. During his tenure as mayor, he assisted in the development of a new city hall, opened a police department, upgraded the water system and helped attract several companies to Waverly. He served at the state level on the Tennessee Water Quality Control Board and the Tennessee Arts Commission, and was chairman of the Tennessee Higher Education Commission.

An alumnus of Austin Peay State University, Southwestern at Memphis, and the University of Tennessee, Dr. Powers moved back to our area and with his brother helped build a highly successful dental practice that will continue to help people in our community. He also served two years in the United States Army Dental Corps.

He has proven his dedication and leadership in dentistry through his membership in several associations, including the American Dental Association, Nashville Dental Society, Tennessee Dental Association, Academy of General Dentistry, Fellow of the American College of Dentists, and Fellow of the International College of Dentists. He was also named outstanding alumnus of the University of Tennessee's College of Dentistry.

Dr. James Powers and his wife Helen have four children and three grandchildren and have established themselves as true leaders in Middle Tennessee. While Dr. Powers begins this new chapter in his life, I am hopeful that they will continue to be leaders in our community.

Mr. Speaker, I ask that you and our colleagues join me in thanking Dr. James M. Powers for his years of selfless service and leadership in our community.

HONORING NATIONAL 4–H PROGRAM'S 100TH ANNIVERSARY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. FRELINGHUYSEN. Mr. Speaker, Mr. Speaker, as the National 4–H Progam celebrates its 100th Anniversary, I rise in honor of this, great milestone.

Under the U.S. Department of Agriculture, today's 4–H program began as a series of clubs for boys and girls in rural America, originally aimed at teaching youngsters skills related to agriculture with a learning-by-doing approach. While the program has grown in scope to encompass a wide array of subject matter, hands-on leaming remains a core curriculum of the 4–H.

In New Jersey, 4–H clubs are administered on a county government level through the Rutgers Cooperative Extension Office. Each club has a particular project area that they concentrate on.

Operating on the same four principals the 4–H was founded on: head, heart, hands and health, the organization has provided opportunities for thousands of young people in my district, and millions across the country, to gain knowledge, skills, and compassion as they grow into the men and women that will be our future.

On the 4–H's centennial birthday I would like to take the opportunity to acknowledge three outstanding programs in my district: Morris County, Somerset County, and Sussex County programs.

In Morris County over 400 youth are involved in over 30 clubs which focus on over 25 project areas. With a very active alumni base, the Morris County 4–H has over 100 volunteers that help to reach the young people in the community through club leadership, and event staffing. The Morris County 4–H will celebrate the centennial anniversary at the 32nd Annual Morris County 4–H Fair, which will take place July 26 to 28, with activities for children and adults alike.

The Somerset County 4–H is home to over 1,200 children with over 600 volunteers leading clubs and planning the annual 4–H fair. Focused on reaching as many youths as possible, the Somerset 4–H offers a variety of school enrichment programs based on science and the environment as well as a summer adventure day camp that runs two weeks each summer. This year's fair celebrates the centennial of 4–H in America with the theme ''One Hundred Years of 4–H—A Thousand Reasons to Celebrate'' and will take place August 14 to 16.

Over 750 youths in 67 clubs make up the Sussex County 4–H Program, not to mention the 5,000 youngsters that the organization reaches through school enrichment programs and camping trips.

Every year the program participates in the Sussex County Farm and Horse Show, where this year they will celebrate this anniversary on August 2 to 4.

Mr. Speaker, as the 4–H celebrates its 100th birtbday I ask my colleagues to join me in honoring this program which continues to exemplify the best of our youth and our nation.

PAYING TRIBUTE TO ALAN WAYNE WYATT

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McINNIS. Mr. Speaker, it is with a solemn heart that I take this opportunity to pay tribute to the untimely death of a fallen firefighter who gave his life in defense of this nation's forests and the people of Colorado. Alan Wayne Wyatt, 51, of Moore's Hollow in eastern Oregon, was killed by a flame-weakened tree or what firefighters sometimes call a ''widowmaker'', while fighting the Missionary Ridge Fire, which has been burning since June 11th. –

Alan worked as a firefighter, cattle rancher, and rodeo saddle bronc rider, and was considered by many to be a ''modern cowboy''. Alan was a loving husband and father of two and was known to his family as a man who took his job seriously and never undertook a job

without the utmost caution to threats of danger. He died fighting a fire, which he understood was out of control, and needed containment. Allen is a hero in the true sense of the word and is survived by his wife, Vicky Wyatt; Evans; and Wells Wyatt, all of Oregon. Alan was a knowledgeable and skilled firefighter who will always be remembered as a man of character and a love of nature, his family, and God.

Mr. Speaker, it is with profound sadness that we remember the life of firefighter Alan Wayne Wyatt. His death highlights the great risks that firefighters encounter day in and day out while on the job and we will truly remember Alan as a brave man who died in defense of life. His sacrifice most certainly deserves the recognition of this body of Congress and this nation. I along with a grateful nation and a loving family will miss you, Alan.

TRIBUTE TO THE BUSINESS OWNERS, CITIZENS AND VOLUNTEERS OF CHARLES COUNTY, MARYLAND

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. HOYER. Mr. Speaker, I rise today to recognize the tremendous community spirit shown by the people of Charles County, Maryland. As my colleagues may know, a devastating tornado ripped through Southern Maryland on April 29, 2002 destroying the town of La Plata and creating a 24 mile path of destruction. Not only were homes and businesses leveled, but farms and government buildings were heavily damaged. Under the circumstances, you would think that a tornado of this magnitude would cripple an area. Not in Southern Maryland and particularly not in La Plata.

Immediately following the tornado, the residents took to the streets to check on friends and neighbors. Once everyone was accounted for, the clean-up efforts began. Under the leadership of the Mayor of La Plata, William Eckman, and the Charles County Commissioners, directed by Board President Murray Levy, an immediate plan of action was put into place and countless hours were spent with residents and business owners, surveying each situation and assisting wherever possible. A ''People's Place'' was set up to offer a myriad of services ranging from food, water and shelter, to helping people find lost pets. Clothing and money poured into the area, but most of all people reached out to help their neighbors rebuild their lives.

Volunteers came from across the States of Maryland, Virginia and Pennsylvania, as well as the District of Columbia to assist in removing debris left behind by this vicious storm. SMECO, Verizon and Maryland Department of Transportation had staff working round the clock to restore electrical power, establish valuable communication systems and clear the roadways. The Amish communities of Maryland and Pennsylvania donated much-needed manpower to get the Town of La Plata up on its feet again.

The Charles County Chapter of the American Red Cross went into immediate action, once the tornado passed, even though their own building was destroyed. Mr. Paul Facchina had a ''mini business district'' set up for the business owners to get back up and running. The Charles County Chamber of Commerce offered office space and business services to companies in need and for days following the disaster local churches and other civic organizations offered food to the hundreds of volunteers.

Mr. Speaker, it has often been said that the ''worst of times, bring out the best in people'' and on behalf of the many, many grateful residents and business owners in La Plata, I want to say Thank You to all the volunteers who gave of themselves so unselfishly. A disaster occurred, and people came from all walks of life to help in any way they could. It did not matter how big, or how small a job, volunteers were available to lend a helping hand. This is the true spirit of America and it was shining bright and continues to beam forward in Charles County, Maryland.

PERSONAL EXPLANATION

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. CLEMENT. Mr. Speaker, I missed the votes on rollcall Nos. 324 and 325. Had I been present, I would have voted ''yea.''

RECOGNIZING THE OUTSTANDING SERVICE OF MR. GORDON VEAZEY

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. TANNER. Mr. Speaker, I rise today in recognition of my friend Gordon Veazey for his 14 years of dedicated service to our nation's veterans. Now, Mr. Veazey begins a new chapter in his life as he retires from his position as Henry County veteran service officer. I ask that the United States House of Representatives thank him for his selfless service.

Mr. Veazey's father, the late Bailey Veazey, was gassed by German soldiers during World War I, causing him serious health problems the rest of his life. Witnessing his father's disability led Mr. Veazey to devote his entire life to veteran causes.

After serving in the Army during the Korean War, Mr. Veazey understands the struggles many of our veterans face. He says one of his greatest satisfactions has been in assisting aging veterans whose ability to earn were limited by disability.

Mr. Veazey was appointed to the office in 1987 after working at Paris Manufacturing Company. During his tenure, he has assisted more than 2,000 veterans in our community in receiving the veterans claim benefits they deserve and depend upon.

We care deeply about our veterans and their courageous service to this great nation. Through Mr. Veazey's leadership he has set an example for future veteran officers who will serve our friends, neighbors, and children whom are fighting in the war today. We should be proud and honored to have had such a dedicated man working for our nation's veterans.

Mr. Speaker, I rise to ask that you and our colleagues join me in applauding the selfless service and dedication Mr. Veazey has contributed to our nations veterans.

PAYING TRIBUTE TO JEFF HAMMOND

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McINNIS. Mr. Speaker, I would like to take this opportunity to pay tribute to Jeff Hammond, an individual who has selflessly devoted countless hours towards the betterment of his community. In June of this year, Jeff was named ″Volunteer of the Year,'' by the United Way Organization. Jeff is a hard working, determined, attentive individual whose selfless dedication certainly deserves the admiration of this body of Congress and this nation.

Jeff is an active participant in the Craig Youth Soccer program and in addition, he is an active community volunteer who donates his time to helping the community. This entirely volunteer league could not have made critical strides in the development of its youth, without Jeff's contributions. Jeff donates his time equally to supporting religious functions, fundraisers, car pools, and the Northwest Colorado All-Star Wildkat cheerleading squad.

Although Jeff's busy schedule envelopes most of his time, Jeff places first and foremost his devotion and loyalty to his family duties, as a father and husband do not interfere. He and his wife have been married for 12 years and are the proud parents of two children.

Mr. Speaker it is with great pleasure that I honor Jeff's accomplishments and achievements before this body of Congress and this nation. Jeff Hammond's service to our community has helped strengthen the foundation upon which our great nation was founded and it is with great anticipation I await further successes and achievements in all your endeavors.

HONORING CORINNE ''LINDY'' CLAIBORNE BOGGS ON OCCASION OF 25TH ANNIVERSARY OF FOUNDING OF CONGRESSIONAL WOMEN'S CAUCUS

SPEECH OF

HON. WILLIAM J. JEFFERSON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 2002

Mr. JEFFERSON. Mr. Speaker, it is my great pleasure to join the House in honoring Congresswoman Corrine ''Lindy'' Boggs. From her work here, in the halls of Congress, to her days as ambassador to the Vatican, Congresswoman Boggs has served our country and served as an inspiration to all of us who followed in her footsteps. As one who was privileged to succeed her in Congress in representing Louisiana's Second Congressional District, I have been particularly inspired by her work.

Congresswoman Boggs has enjoyed a well-deserved outpouring of love and gratitude in

this, the 25th anniversary of the founding of the Congressional Women's Caucus. With a collective voice, we say thanks to a woman who helped shape the voice of women in Congress.

Since its founding, the Congressional Women's Caucus has championed issues that affect the lives of women and families. The women's caucus has fought for gender equality in the workplace and in schools. It has worked to promote women's health issues and protect victims of domestic and violent crimes. From Congresswoman Boggs' vision to today, the Congressional Women's Caucus has become the primary voice of women in Congress.

Thank you, Congresswoman Boggs for your work and dedication to the people of Louisiana and of this country. Thank you for your dedication to the women of this country. And, thank you for your leadership and inspiration. I am honored to represent you in the Congress and to serve the people of the 2nd District of Louisiana as you did so honorably for so many years.

CONTINUING AZERI WAR RHETORIC THREATENS PEACE

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. KNOLLENBERG. Mr. Speaker, I rise to call my colleagues' attention to the continuing war rhetoric coming from Azerbaijan regarding Nagorno Karabagh.

Following the fall of the Soviet Union, Azerbaijan launched a military offensive against Nagorno Karabagh in a failed attempt to impose its rule.

In 1994, a cease-fire was negotiated which is still in effect.

However, that fragile cease-fire is presently being undermined by calls for a military solution from senior Azeri officials.

A recent example was in a July 2, 2002 speech by Azeri President Heydar Aliyev where he said, ''we will return our land by any means.''

This type of irresponsible war rhetoric makes the OSCE peace mission co-chaired by the United States incalculably more difficult and serves to mislead the citizens of Azerbaijan into thinking a second military offensive is preferable to negotiations.

The United States must stand strongly against Azerbaijan's threats to insure a peaceful resolution to this dispute.

NATHAN WEINBERG

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. CARDIN. Mr. Speaker, I rise today to ask my colleagues to recognize the accomplishments of Nathan Weinberg and thank him for his service to his country and his community as he retires as a trustee of the Harry and Jeannette Weinberg Foundation and his appointment as Civilian Aide to the Secretary of the Army.

After his family emigrated from Eastern Europe, Nathan Weinberg, the sixth of seven children, was born in America in 1917. In 1941, he was inducted into the U.S. Army and on December 25, 1945, Mr. Weinberg was discharged as a 2nd Lieutenant after service in Texas, Australia, New Guinea and the Philippines.

After returning home to Baltimore, Mr. Weinberg worked in real estate and lived briefly in Texas and Pennsylvania working on business interests of his brother, Harry Weinberg. He remained a member of the standby reserve until October 1995 when he was honorably discharged.

In 1960, Mr. Weinberg became an active officer and trustee of the Harry and Jeannette Weinberg Foundation. Since his brother Harry's death in 1990, Mr. Weinberg has remained one of five trustees to the Foundation, which is one of the largest private foundations in the United States. His leadership on the board has included projects supported by his brother, particularly housing and amenities for the elderly from Coney Island to Tel Aviv to Hawaii.

Mr. Weinberg was appointed Civilian Aide to the Secretary of the Army in 2000. His military experience and his dedication to the Maryland Army National Guard has provided leadership, friendship and financial support for community outreach.

Mr. Weinberg has a strong sense of family and a firmly held belief in equality and equitable treatment for all people. At ground breakings and ribbon cuttings, he is not shy about expressing his concern for the welfare of the audience, unhappy that the dignitaries receive special treatment while the audience is left to stand, swelter in the heat or freeze in the cold. His sense of justice guides his dealings with others and he expects others to pass along that philosophy as well. He is a leader by example and deeds.

I would ask my colleagues to please join me in congratulating Mr. Weinberg on a life well lived and in thanking him for his service to his country. Our appreciation extends to his family, his wife Lillian and his three sons, Donn, Glenn and Joseph their wives and children.

EXCELLENCE IN MILITARY SERVICE ACT

HON. HOWARD COBLE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. COBLE. Mr. Speaker, I rise today to introduce the ''Excellence in Military Service Act.''

This legislation would increase the active duty service obligation (ADSO) of Military Service Academy graduates from five to eight years. Many Americans do not realize that this free and highly competitive college education costs the average taxpayer approximately $300,000 per cadet/midshipman.

While I believe that investing in our military is critical to the future stability of our nation, I do not think it is fair to burden the taxpayer with this expense without requiring academy graduates to exhibit a similar commitment in their ADSO. I maintain it is not unreasonable that in return for a free education, with a monetary allowance, that a graduating cadet/midshipman be required to commit to a longer period of obligated service upon commissioning.

As college tuitions continue to skyrocket, I believe our U.S. military academies will become even more attractive to prospective college students. In light of this fact, we need to ensure that a free education does not become a primary motivation for future applicants. I maintain that increasing the ADSO is an effective way to accomplish this without jeopardizing the viability of these historic institutions. I hope my colleagues will join with me in cosponsoring this legislation, and I look forward to working with them to protect the U.S. taxpayers' investment in our nation's future and ensure the integrity of one of our nation's most precious resources.

HUNGER RELIEF

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. SABO. Mr. Speaker, today I join my colleagues in honoring my friend, Congressman TONY P. HALL, a tireless advocate for hunger relief programs and improving international human rights conditions.

Congressman HALL's 30 plus years of service to the people of Ohio is indicative of the dedication he holds for improving the lives of all Americans. No one compares to TONY when it comes to his experience and knowledge on human rights, child welfare and survival, and global development. It has been a distinct privilege to serve in the House with him for the past 23 years.

Mr. HALL and I hold a special bond, not only did we both begin our service in the House in January 1979, but we also have experience serving in our state's legislatures. In the beginning, we were able to draw on these similarities the trappings and pitfalls facing new members of Congress, and then use this knowledge to grow as public servants and legislators.

TONY will soon be embarking on a new adventure. He'll bring his lifelong devotion to easing hunger across the globe and improving food security to Rome, Italy as he assumes the position of United States ambassador to the United Nations food and agriculture organizations. I think it is safe to say that we can send no one who would better represent the United States in these important institutions.

So, Mr. Speaker, it is with great honor that I extend my sincerest thanks to my friend, Congressman TONY HALL, and wish he and Mrs. Hall all the best as they embark on this new journey.

100TH ANNIVERSARY OF CHURCH OF THE EPIPHANY

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. COYNE. Mr. Speaker, I rise today to observe the 100th Anniversary of Epiphany Catholic Church in Pittsburgh Pennsylvania.

The Church of the Epiphany was established when the St. Paul Cathedral was

moved from downtown to Oakland more than 100 years ago. The cornerstone for the new church was blessed on August 10, 1902. The boundaries of the old Cathedral parish became the boundaries for the Church of the Epiphany's parish. From 1903 until 1906, when the new Cathedral was finished, Epiphany served as the interim Cathedral.

The Church is a beautiful red brick structure built in the Romanesque style. It was designed by Edward Stotz at the turn of the last century with a pair of twin towers, slate roofs, and terra cotta trim. The church design also features several statues from the old Cathedral. The interior decoration was designed by John Comes, who designed a number of Catholic churches in the Pittsburgh area. Most of the original artwork has been preserved and restored.

Father Lawrence O'Connell founded Church of the Epiphany and was its pastor for its first 54 years. He is credited with developing and operating parish programs that ably served downtown residents, workers, and the many Immigrants who were streaming into Pittsburgh at that time. Under his leadership, the parish created and ran a residence for working women, a nursery, a home for infants, a home for older children, an elementary school, summer camp for under privileged children, an athletic association for young men, a prison ministry, and other religious, cultural, and education programs. In the first half of the 20th century, the Church served a parish of roughly 2,000 families.

Over time, however, the neighborhood changed. Grand plans for the first Pittsburgh renaissance dictated that much of the land covered by the parish be converted to new uses. In 1957, much of the Lower Hill neighborhood around Epiphany, including church property, was razed as part of an urban redevelopment project. Eighteen hundred families were relocated, and only 350 parishioner families remained.

The urban renewal efforts of the late 1950s and early 1960s marked the beginning of a difficult time for the Church of the Epiphany. Due to declining enrollment, for example, Epiphany School was closed in 1973—after 70 years of educating children from the community. Against all odds, the parish has struggled valiantly to survive under the leadership of a series of worthy successors to Father O'Connell. The 1960s and 1970s were a challenging time, but the congregation of the Church of the Epiphany preserved, and the Church carved out a new mission for itself in the dramatically different Lower Hill area of Pittsburgh.

Mr. Speaker, I want to congratulate Father Jim Garvey, the current pastor of Epiphany Catholic Church, and his congregation on the momentous occasion of the Church's 100th anniversry—and I want to share with them my best wishes for the future.

SAVE HISTORIC VETERANS BUILDINGS

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. HALL of Ohio. Mr. Speaker, for more than 40 years, since the enactment by Congress of the landmark National Historic Preservation Act, preservation of our historic landmarks has been a mission of the Federal government and its agencies. That is no less true of the Department of Veterans Affairs (VA), which owns 1,860 nationally significant buildings—more than any department except the Departments of the Interior and Defense. However, no department faces more challenges than the Department of Veterans Affairs in preserving its historic buildings. That is why today I am introducing the Veterans Heritage Preservation Act of 2002, a bill establishing a comprehensive approach to assisting the department in fulfilling its historic preservation mission while honoring Americans veterans.

The sheer scope of the task is daunting. The VA's historic buildings go back to a 1735 mill on the bank of the Susquehanna River in Perry Point, Maryland, and include a series of residential communities built for Civil War veterans. The VA also owns historic hospital buildings and living quarters constructed by the Veterans Bureau following World War I. Many of these buildings have outstanding architecture and some are sites of important events. They are located in almost every state. All represent the commitment made by the Federal government to look after our war veterans.

As the cost of health care has risen in recent years, the Department has focused on providing veterans with cost effective health care. This has made obsolete many of the Department's historic buildings which have been chosen to conserve funds. Some of these treasures have been allowed to deteriorate and ultimately face demolition. Because the Department's historic preservation requirements are funded from the same allocation for patient care, the Department has consistently chosen to underfund its historic preservation mission.

The legislation I offer today eliminates this difficult choice by establishing a Veterans Heritage Preservation Fund dedicated to the Department's preservation needs and authorized at an annual level of $20 million, subject to appropriations. The fund would be used to evaluate, stabilize, preserve, renovate, and restore the Department's historic buildings. The fund could also be used for grants to State and local governments and non-profit organizations in connection with the adaptive reuse of historic buildings. The bill also establishes within the Department a high level Office of Historic Preservation to monitor the Department's historic preservation program.

The bill also encourages leasing historic VA properties to groups that will preserve and restore them and promotes the VA to enter into public-private partnerships for historic preservation. The goal is to keep the VA's historic buildings alive by finding new uses for them. Even if they are used for community purposes that aren't directly related to veterans' care, they will honor our veterans by preserving these important cultural legacies.

The VA's historic buildings represent an important national treasure that can never be replaced. They serve as a link between all Americans and past generations of veterans. Writing in the July 1, 2001, issue of the Paralyzed Veterans of America Paralegia News, Thomas D. Davies, Jr., AIA, former director of architecture for Paralyzed Veterans of America, said, 'The VA's historic structures provide direct evidence of America's proud heritage of veterans' care and can enhance our understanding of the lives of soldiers and sailors who fashioned our country.''

The need quickly to preserve historic VA buildings increased in June when the VA announced an initiative to identify and close more buildings that are considered outdated. The initiative, Phase II of the ongoing planning process called the Capital Asset Realignment for Enhanced Services (CARES), is expected to be completed in two years. It is critical for the VA to prepare to handle the large number of its historic buildings which could join the endangered list.

The legislation follows a joint recommendation earlier this year by AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars, which called on Congress to enact legislation to systematically preserve the most important historic buildings owned by the VA and to promote the reuse of historic properties by local communities.

Most of the threatened buildings were part of the National Home for Disabled Volunteer Soldiers, created by one of the last acts signed by President Lincoln before his assassination, and constructed between 1867 and 1930. The buildings are now owned by the VA. The National Home evolved into complete planned communities with barracks, mess halls, chapels, schools, hotels, libraries, band stands, amusements halls, theaters, and shops, many of which still stand, and include outstanding examples of 19th and early 20th century architecture.

The National Home had facilities in eleven cities. The cities, and dates the branches were founded are: Togus, Maine (1866); Milwaukee, Wisconsin (1867); Dayton, Ohio (1867); Hampton, Virginia (1870); Leavenworth, Kansas (1885); Santa Monica, California (1888); Marion, Indiana (1888); Danville, Illinois (1898); Johnson City, Tennessee (1901); Hot Springs, South Dakota (1902); and Bath, New York (1929).

The National Home represents many historical developments, including the Nation's first the first large-scale attempt by the Federal government to care for veterans. The buildings included the first non-religious planned communities, the first Federal effort to establish large-scale rehabilitation programs, a significant expansion of Federal benefits to citizen-veterans, a landmark in the development of Federal responsibility for the social safety net, and the first permanent churches constructed by the Federal government.

Before it was merged with the VA in 1930, the National Home cared for more than 100,000 Civil War and other veterans, many of whom were shattered physically and spiritually from the carnage of war. These buildings are an important part of our national heritage as well as significant contributors to the history and culture of the communities where they are located.

According to Professor Patrick J. Kelly, author of Creating a National Home (Harvard University Press), ''The National Home for Disabled Volunteer Soldiers is an institution that all Americans can treasure. This institution was an early and strikingly generous example of the federal government's commitment the care of the nation's veterans.''

Kelly wrote, ''The surviving buildings of the National Home offer contemporary Americans

a cultural treasure that serves to remind us of the profound sacrifices made by soldiers during the Civil War, and of the resolve of post Civil-War America the sacrifices of its veterans would not be ignored. That buildings of the National Home have much to teach us about the past, but perhaps even more importantly, offer Americans valuable lessons for veterans care that apply to today and to the future.''

More than 100 historic VA buildings from all eras are underutilized or vacant and are threatened with deterioration and ultimate destruction. Those buildings include an impressive row of Victorian lodging quarters from Ford Howard in Baltimore County, Maryland, and an elaborate Victorian theater in Milwaukee which hosted all the big stars of the day, including a child pianist who lived across the street, Liberace. An entire series of 39 Georgian and Romanesque Revival style structures by master builder James McGonigle in Leavenworth, Kansas, was so close to demolition that in 2000 the National Trust for Historic Preservation included the buildings on its list of America's 11 most endangered historic places. Those buildings are still threatened.

I represent Dayton, Ohio, which was the headquarters of the National Home and its largest branch. A number of buildings in my district are in danger of deterioration and ultimate demolition, including the building that housed the national administrative offices for the National Home and the first permanent church constructed by the Federal government—a building which was constructed by the veterans themselves. My constituents—veteran and non-veteran—are concerned about this potential loss to their historical heritage.

Mr. Speaker, providing for the Department of Veteran Affairs' historic preservation requirements in no way need to diminish funding for the Department's other missions and is fully consistent with the Department's broader goal of honoring and caring for the Nation's veterans. It will require some money and it will require a lot of will. With this legislation, I hope to provide a framework for the VA to better carry out its responsibility to preserve the historic legacy under its control that belongs to veterans and to all Americans.

HONORING PASTOR DOUGLAS P. JONES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. KILDEE. Mr. Speaker, I am honored to rise before you today on behalf of the congregation of Welcome Missionary Baptist Church in Pontiac, Michigan, to recognize and congratulate Reverend Douglas P. Jones, who celebrated his 13th anniversary as the pastor of the church on June, 18, 2002.

Upon graduation from University of Cincinnati, Pastor Jones continued his studies in pastoral care administration at Cincinnati Bible College. On April 8, 1989, the Church voted to call Reverend Jones as their pastor. Pastor Jones accepted and was installed on June 18, 1989. During his years of service, he has earned certificates in various workshops and counseling sessions, as well as special training in administration, management, and planning.

Pastor Jones' time and dedication with the ministry has allowed him to develop strong support that extends throughout the city of Pontiac, including serving as the Chaplain of the Oakland County Sheriff Department, and acting as a board member for the United Way Oakland County. Additionally, the diligence he has shown over the years has led to the expansion of the church and its congregation. Pastor Jones is more than deserving of the numerous honors and awards that he has received over the past 13 years, including commendations from the City of Pontiac and the State of Michigan, among many others.

The work that Pastor Jones has accomplished on behalf of the community is tremendous. Through his creation of the Greater Pontiac Community Coalition, he has helped generate programs that have guided our youth to a brighter future. Programs such as Youth in Government and Invent America, as well as scholarship programs through the Church and the Coalition, have helped open doors of success for hundreds of young men and women.

Mr. Speaker, Pastor Douglas P. Jones' devotion to spreading God's Word is an inspiration to us all. As a former seminarian, I understand the important role the Church plays in our lives, and I am proud to call him my colleague and my friend. Self-evident is his lifelong commitment to enhancing the dignity and nurturing the spirits of all people, and our community is a much better place because of him. I ask my colleagues in the 107th Congress to join me in congratulating Pastor Jones.

ON THE 100TH ANNIVERSARY OF THE NEW GLARUS FIRE DEPARTMENT

HON. TAMMY BALDWIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Ms. BALDWIN. Mr. Speaker, I rise today to extend my congratulations to the New Glarus Volunteer Fire Department of Wisconsin, which is celebrating 100 years of excellence. This outstanding achievement is marked by the New Glarus Volunteer Fire Department's commitment to providing safe, efficient, and effective emergency services.

New Glarus Volunteer Fire Department's standards of excellence were first instituted in 1902 with the formation of Company No. 1. From the incorporation of the village in 1845 until 1902, fires were fought by means of a bucket brigade. Company No. 1 replaced the old fashioned bucket brigade with the latest technology, circa 1902, a hose cart and hand-drawn ladder rig. Staffed by 24 dedicated firefighters, the equipment was housed in the New Glarus Town Hall, in which the first arriving firefighter rang a bell, alerting the remainder of the company to call.

Today, the New Glarus Volunteer Fire Department is fully modernized, serving a 71-square-mile fire protection district that covers the village of New Glarus as well as the towns of York, Perry and Primrose in the rolling hills of Green and Dane Counties. In 1981, the current fire station was erected just west of the village hall, and has the capacity to hold up to ten pieces of apparatus. In addition to responding to fires, the totally volunteer department of 36 members, now reacts to motor vehicle, hazardous materials incidents and assists the New Glarus EMS.

Although the bell has been replaced by a modern siren system, the call to tirelessly safeguard the lives and property of area citizens remains the same for the New Glarus Volunteer Firefighters. These courageous volunteers join the prestigious though often under-appreciated ranks of the ''everyday hero.'' Now, more than every, our nation is comforted by the knowledge that such citizens are prepared to protect our communities. So, when the siren sounds, those citizens served by the New Glarus Volunteer Fire Department are assured that they will receive the best possible assistance.

I wholeheartedly congratulate the New Glarus Fire Department for 100 years of protecting their community and recognize their continuing commitment to excellence.

PERSONAL EXPLANATION

HON. PETER A. DeFAZIO

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. DEFAZIO. Mr. Speaker, on July 23, 2002, I was granted a Leave of Absence due to a family emergency. I was not present for rollcall votes Nos. 330, 331, 332, 333, and 334.

If I had been present, I would have voted ''no'' on rollcall No. 330 an amendment by Representative GOSS to limit the use of funds to enforce the ban on travel to Cuba; ''yes'' on No. 331 an amendment by Representative FLAKE to prohibit the use of funds to enforce the ban on travel to Cuba by U.S. citizens; ''yes'' on No. 332 by Representative FLAKE to prohibit the use of funds to enforce restrictions on remittances to nationals of Cuba; ''yes'' on No. 333 by Representative RANGEL an amendment to prohibit the use of funds to implement, administer or enforce the economic embargo against Cuba; and ''yes'' on No. 334 passage of H.R. 3609, the Pipeline Safety Act.

HAPPY 80TH BIRTHDAY TO JULIUS WADE KING

HON. CHARLES W. ''CHIP'' PICKERING

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. PICKERING. Mr. Speaker, eighty years ago on August 2, 1922, Julius Wade King was born in Lockhart, MS, to James and Clara King. Julius, better known as Judy, has led a life devoted to business, education, service, church, and family.

A product of public schools, Judy graduated Heidelberg High School in 1940 and entered Jones County Junior College (JCJC); Judy then received his B.S. degree from the University of Mississippi in 1943. Upon leaving Ole Miss, Judy attended U.S. Naval Midshipman's School at Notre Dame and was commissioned as an officer. But graduating from JCJC, Ole Miss, and Notre Dame would not end Judy's association with education, for he has devoted more than 6 decades to the field.

Active in the South Pacific until 1946, Judy was discharged from the Navy and moved to

where he still calls home—Laurel, Mississippi. In Laurel, Judy began work in the automotive business and later, in 1951, Judy launched a career in the oil and gas industry as well as in real estate. Throughout his career at Julius W. King Oil Properties, Judy has been a longtime member of the Board of Directors of Independent Petroleum Association of America and Mid Continent Oil and Gas Association.

Judy was married on April 10, 1955 to Marion Louise King; they are the parents of two daughters—Mary Gwendolyn and Kendall Lea and the grandparents of five.

Judy has given many years of his life to the service of the community. A member of First Baptist Church of Laurel, Judy has helped the church with continuous growth and expansion by serving as Property Acquisition Chairman.

Many of Judy's service hours have also been committed to education. As past chairman of the University of Mississippi Foundation, board member, and endower of the King Lectureship in Ethics, Judy has played an active role in serving the University of Mississippi. Along with his brother, James E. King, Jr., Judy donated the necessary money to initiate the building of the JCJC King Chemistry Center. Still serving JCJC today, Judy is the chairman of the JCJC Foundation.

Judy is an outstanding leader. He has served as president and board member of United Way of Jones County; president of Laurel Jaycees; twice president of the Laurel Country Club; president of Jones County Chapter of the American Red Cross and Lung Association; and board member of the Jones County Economic Development Authority. Judy has also recently completed 14 years on the board of the Lauren Rogers Museum of Art.

In addition to serving his community, Judy has made contributions to the Republican Party on both the local and national level. Judy has served as the Finance Chairman of the Mississippi Republican Party and assisted in building the United Republican Fund of Mississippi. He has been recognized as a Pioneer Republican and ran for State Senate in 1963. Judy has also served on the state and county GOP executive committees.

On the national level, Judy has had the honor of being a presidential elector three times and serving three years on the White House Selection Committee for Fellowships. He also has the distinction of being a member of the Transition team for the Reagan White House.

Judy has been a role model for me as a Christian husband, father, businessman, and leader. I thank him for his example and for his friendship to me and my family.

It is an honor and privilege for me to extend birthday wishes to a man who knows the true meaning of faith, service, community, and family. Happy 80th Birthday Judy King!

RECOGNIZING PORTLAND STATE UNIVERSITY'S GEORGE PERNSTEINER FOR HIS COMMITMENT TO HIGHER EDUCATION

HON. DAVID WU

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. WU. Mr. Speaker, today I recognize George Pernsteiner, Vice President of Finance and Administration at Portland State University. Mr. Pernsteiner is leaving Oregon to become the Vice Chancellor of Administrative Services at the University of California, Santa Barbara. I join with Mr. Pernsteiner's colleagues at Portland State University, in the Oregon University System, and in the City of Portland in recognizing him for his leadership, his commitment to providing educational opportunities to students and his work with PSU President Dan Bernstine to make this institution a national model of an urban university.

George Pernsteiner has served at Portland State University since 1995. During that time, enrollment has grown from about 14,000 students to the nearly 23,000 who will enroll this September. Mr. Pernsteiner has overseen the implementation of the unique University District plan, which links PSU's campus development to the planning goals of Portland—one of the nation's most livable cities. George was instrumental in building the University's new urban center, home of the nationally recognized College of Urban and Public Affairs. He was involved in the city's efforts to have a new urban streetcar, and brought it to the campus. George has also been involved in the building of a new Native American Student and Community Center that will open next year, the creation of the Peter Stott Community Recreation field, and the establishment of a new technology center in the PSU Millar Library.

George Pernsteiner is not only actively involved in Portland State University and the City of Portland, he has been a statewide leader in the Oregon University System. Before coming to Portland State University, he was Vice Provost and Chief Financial Officer at the University of Oregon, and also served as the Associate Vice Chancellor for Administration at the Oregon University System. George was key to developing State legislation that gave greater operating flexibility to the institutions in Oregon, as well as a new funding model for the entire Oregon University System, which was adopted by the state legislature in 1999.

George Pernsteiner is viewed in Oregon as an innovative higher education leader who puts students first. He leaves Oregon and PSU a better place because of his visionary commitment to providing educational opportunities. George is a devoted public administrator who values public service.

Mr. Speaker, I am honored that I have had the opportunity to work with and know George Pernsteiner. I hope you and my colleagues will join me in wishing him and his family the best as they leave Oregon for Santa Barbara and go from being Vikings to Gauchos!

TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 2003

SPEECH OF

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 2002

Mr. PAUL. Mr. Chairman, I rise in strong support of the Flake and Rangel amendments to the Treasury-Postal Service Appropriations Act. The argument that allowing Americans to travel to Cuba props up Fidel Castro's regime is just not supported by fact. History has shown that allowing—even encouraging—American citizens to travel to and engage commercially in less-than-free societies ignites the spark of freedom and hastens democratic transformations. Unfortunately, special interests have driven some to argue even against demonstrated fact in pursuit of their political agenda.

It is time to face reality on the policies of isolation and embargo: they have not worked in the past, they are not working in the present, and they will not work in the future. Can anyone claim that our policies of isolation and embargo have made life for the average Cuban citizen the slightest bit better? Conversely, is there any evidence that our policies of isolation and embargo have made life for Castro and his ruling clique one bit worse? The answer to both questions, of course, is no. So why continue to pursue a foreign policy that is producing the opposite effect of what is intended?

While there is no evidence that sanctions and isolation work, there is plenty of evidence—real concrete evidence—that engagement and trade actually bring about democratic change. In the former Soviet-dominated world—particularly in Central Europe—it was American commercial and individual engagement that proved key to the demise of the dictatorships. It was Americans traveling to these lands with new ideas and a different attitude toward government that helped nurture the seeds of discontent among a population living under the yoke of tyranny. It was American commercial activity that brought in products that the closed and controlled economic systems would or could not produce, thus underscoring to the population the failure of planned economies.

With the system of one-party rule so obviously and undeniably proven unworkable and unsatisfactory in Central Europe, even those who had served the one-party state began to shift their views and work in opposition to that rule. Thus began the fall of the Soviet empire. Yet those who support sanctions and isolation still seek to deny history in their drive to pursue a policy that has not worked for forty years.

Mr. Chairman, finally and importantly, I strongly oppose sanctions for the simple reason that they hurt American industries, particularly agriculture. Every time we shut our own farmers out of foreign markets, they are exploited by foreign farmers. China, Russia, the Middle East, North Korea, and Cuba all represent huge potential for our farm products, yet many in Congress favor trade restrictions that prevent our farmers from selling to the billions of people in these areas. We are one of the world's largest agricultural producers—why would we ever choose to restrict our exports? Why would we want to do harm to our domestic producers by pursuing a policy that does not work? The only beneficiaries of our sanctions policies are our foreign competitors; the ones punished are our own producers. It is time to end restrictions on Cuba travel and trade.

RICK SWARTZ DEFENDS THE RIGHTS OF IMMIGRANTS

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. McGOVERN. Mr. Speaker, I would like to bring to my colleagues' attention an interview with Mr. Rich Swartz in the Summer 2002 edition of Intelligence Report, the quarterly publication of the Southern Poverty Law Project.

For nearly two decades, I have had the privilege of knowing and working with Rick Swartz in defense of the rights of immigrants. In 1982, he founded the National Immigration Forum, which is the leading immigration rights advocacy group in the nation. We first met when we were both working to secure a safe haven for Salvadoran and other Central American refugees here in the United States.

The interview explores the lengthy battles with anti-immigration forces in the United States and the prospects for securing immigrant rights in today's national environment. Rick Swartz is someone who feels strongly about America's roots as a nation of immigrants and who believes that current immigration is an important contributor to a strong future for our country. I join him in those beliefs, and I commend this article to my colleagues.

[From the Intelligence Report, Summer 2002]

DEFENDING IMMIGRANTS

A KEY ACTIVIST IN THE STRUGGLE FOR IMMIGRANT RIGHTS DISCUSSES THE EVOLUTION AND NATURE OF THE ANTI-IMMIGRATION MOVEMENT

Over the last quarter of a century, Rick Swartz may have done more than any other activist to encourage a healthy level of immigration to America and to protect the rights of immigrants once they are here. After graduating from the University of Chicago Law School, Swartz directed an immigrant rights project at the Lawyers Committee for Civil Rights before going on to found, in 1982, what has become the nation's leading immigration rights advocacy group, the National Immigration Forum. Swartz was president of the Forum, a coalition of more than 250 national organizations and several thousand local groups, until 1990. In that post, he worked to secure have for Haitian and Central American war refugees, to legalize the status of millions of other immigrants and to battle the anti-immigrant and English Only movements. Since leaving the Forum, Swartz, now 52, has run a small public policy firm representing a range of corporate and nonprofit clients, at the same time continuing his immigration advocacy work. The Intelligence Report asked Swartz about his lengthy battles with America's leading anti-immigration activists, his view of the movement today, and his analysis of the movement's prospects.

Intelligence Report: In looking at the contemporary anti-immigrant movement [see story, p. 44], we've found that even though there are a large number of organizations involved, they almost always seem to go back to one man—John Tanton, the Michigan ophthalmologist who founded the Federation for American Immigration Reform [FAIR] in 1979. Has that always been the case?

Swartz: Tanton is the puppeteer behind this entire movement. He is the organizer of a significant amount of its financing, and is both the major recruiter of key personnel and the intellectual leader of the whole network of groups. I don't know if he's personally wealthy—it could well be that people give him big donations just because he is so mesmerizing. He does have a charismatic feel about him.

It's been clear since 1988, when a series of embarrassing internal memos by Tanton and Roger Conner [who was then executive director of FAIR] were leaked to the press, what the overall strategy is. Those memos are a blueprint for what Tanton and his friends have been doing ever since.

IR: Can you describe that blueprint?

Swartz: The blueprint envisaged creating a whole array of organizations that serve the overall ideological and political battle plan to halt immigration—even if some of these groups have somewhat differing politics. They camouflage the links between these organizations, their true origins, so that they appear to have arisen spontaneously. But in fact they have the same creator, Tanton.

IR: So the idea was to create the illusion of a grassroots movement that was supported by a significant number of Americans?

Swartz: Yes indeed, to confuse the press. The leaked memos did bring some public attention to the Tanton network, and some of these linkages were further exposed in the early 1990s. More recently, FAIR's tax records established that the center for Immigration Studies, which has become an influential Washington institution, was spun off from FAIR as a separate organization. But these facts aren't widely known by the public today.

For years and years, Fair and these other spinoffs have been part of a strategy of, ''Well, it can't just be Fair and other major Tanton creations like U.S. English and the Center for Immigration studies, because then it's too easy to pin us down. So therefore how about creating Numbers USA, English First, the American Immigration Control Foundation and all these smaller local groups?'' all of this was anticipated by the memos, which were written in 1986, two years before the leak.

IR: has even the limited exposure of these kinds of linkages damaged the ability of Tanton's anti-immigrant groups to affect public policy in Congress?

Swartz: They are well know to everybody deeply involved in the immigration debate. But when it comes to Congress, very few members—maybe two—can come close to understanding the situation or the history of the immigration reform efforts of the last 25 years. They may have voted on immigration-related items, but immigration is not a way of life for them.

IR: Let's go back a little. How did Tanton get started?

Swartz: When Tanton started Fair in 1979, he was already president of a liberal organization, Zero Population Growth (ZPG). He wanted ZPG to be the vehicle for a significant advocacy effort to reduce immigration, but the senior staff and at least some members of the ZPG board resisted. As a result, Fair was created. Conner ran Fair as executive director through most of the '80's before leaving to become executive director or yet another Tanton creation, the American Alliance for Rights and Responsibilities, which was intended to be an antidote to the ACLU (American Civil Liberties Union). At the time, Fair was promoting employer sanctions (laws to punish those who hire illegal aliens) and dramatic increases in border enforcement, sweeps, arrests and deportations. It was opposing guest worker programs and asylum for refugees from Haiti or the Central American wars.

It was also Fair that first had the idea of barring social services and other public benefits for immigrants (an enterprise that came to fruition with California's Proposition 187, which was passed in 1994 with the support of Fair and other Tanton creations, but ultimately found to be unconstitutional). Fair also tried to build linkages to mainstream environmental groups, but without much success.

IR: When did Tanton get into the English Only movement?

Swartz: Tanton established an organization called U.S. English in the early 1980s, and this became his second major national organization after Fair. The organization was dedicated to ''English Only'' [the idea that all official government business should be conducted in English alone], and it attracted into its ranks a number of well-known celebrities—Walter Cronkite and Arnold Schwarzenegger, for example. U.S. English funded a range of ''official English'' state and local referenda [through early 2002, 27 states had passed English-only legislation]. The most recent example of this kind of activity is in Iowa, where the governor earlier this year declared English the state's official language.

By the way, there is a lot happening in Iowa right now. Why Iowa? Well, you've got meatpacking plants and the immigrants employed in them, leading to demographic change. And you have Iowa's governor making pro-immigration statements over the last couple of years, saying we're losing people and we need new people, therefore we should be trying to attract immigrants. And, of course, Iowa is the first presidential primary. So add it all up, and you can see why they're spending a ton of advertising money in Iowa. It's perfect for Tanton's message.

IR: Although he has always denied it, Tanton and his progeny have frequently been accused of being racist, not to mention anti-Catholic and, in particular, anti-Hispanic. In fact, Tanton helped to arrange for the English-language publication of The Camp of the Saints, a grotesquely racist French novel that tells of European civilization being overrun by bestial Third World immigrants. And he continues to promulgate that book in his role as publisher of The Social Contract Press, a hate group. What do you make of the role of this remarkable book?

SWARTZ: A movement of the kind that Tanton envisions needs a bible. It needs a bible for conversion. It needs a bible as an ideological road map. It needs a bible to stimulate zeal and a sense of belief among its followers. The Camp of the Saints is that book for Tanton. It puts out a vision of immigrants rampaging and destroying the West, and that is the vision that Tanton believes in and wants his followers to believe in. James Crawford, who wrote a book on the English Only movement, calls The Camp of the Saints ''a cult book''—and that is what I think it is.

IR: A similar vision of white people being overwhelmed by dusky, Third World hordes is suggested in the Tanton-Conner memos. Did the leak of those memos to The Arizona Republic hurt Tanton and Fair significantly?

SWARTZ: It hurt him a lot at the time. The revelations led to the resignation of Linda Chavez, who had become executive director of U.S. English in the mid-1980s [and is a conservative Republican columnist today]. A whole group of celebrities resigned from the board or advisory board of U.S. English because of the memos, which were complicated by The Camp of the Saints being sort of a Holy Bible for the movement. All this revealed the underlying ideology of Tanton.

It also made it that much more difficult for people like [former Sen.] Alan Simpson [R–Wyo.] and others who shared Fair's point of view from holding Fair up as this great organization that other members worked with all the time. And the political character of

the Tanton-Conner memos—the strategies of infiltration and so on that they discussed—also contributed to the rash of resignations.

IR: Are there good examples of that infiltration strategy at work?

Swartz: In the 1980s, while Conner was executive director of Fair, a woman named Cordia Strom became the legal director. The memos had specifically discussed infiltrating the Congressional staff, and Cordia was their big success story. She became part of the staff of Rep. LAMAR SMITH [R–Texas] and then she went to work for the House Immigration Subcommittee. She was in that job through 1996 and was the subcommittee's chief counsel during the big 1996 immigration debate [which resulted in harsh legislation, introduced by subcommittee chairman LAMAR SMITH, that sharply reduced the rights of legal immigrants]. At some point after that, she went over to the Executive Office for Immigration Review [the administrative appeals arm of the Immigration and Naturalization Service, or INS, that is responsible for making final decisions on such matters as deportations], where she is still employed [as counsel to the director and coordinator for congressional affairs]. After the 2000 election, there was even an [unsuccessful] effort to get Cordia appointed deputy director of the INS.

IR: Then the infiltration strategy was really quite effective?

Swartz: Well, these groups had their own person running the House Immigration Subcommittee at a critical moment. Being the staff director of that subcommittee brings tremendous daily influence on LAMAR SMITH [chairman of the subcommittee from 1994 to 2000] and other Republican members. The staff director has lots of access to inside information, including confidential and classified information regarding immigration. You have constant dealings with the INS, with the Justice Department and the State Department. So someone like Cordia, with her ideological bent, has an opportunity to have tremendous influence throughout the Congress and the government, as well as the media.

IR: Yes, similarly, we've found that a woman named Rosemary Jenks, a lobbyist for Numbers USA, is now working part-time out of the office of Rep. Tom Tancredo. [Editor's note: Tancredo is a Colorado Republican, chairman of the Congressional Immigration Reform Caucus, and a harsh immigration critic whose Web site carries data from one of Tanton's creations, the Center for Immigration Studies. Tancredo's Congressional Immigration Reform Caucus Web site links directly to a hard-edged hate group, the Voice of Citizens Together, also known as American Patrol.]

Swartz: That's another example of infiltration at work. Fair and the others have successfully placed their people around folks like Tancredo in Congress.

IR: Are there other important methods that Tanton has employed.

Swartz: Another tactic of Tanton's is to turn ethnic groups on each other, to create conflict between difference ethnic and racial groups. One of his big arguments has always been that immigration hurts blacks. Fair has bought radio advertising on black radio stations to push that vision. A prime example was Chicago 10 or 12 years ago, when an ad ran basically saying, ''You know why you don't have a job? Because some undocumented Mexican came in and stole yours from you.''

Fair also has hired black professionals and has put a lot of effort into building alliances with African-American intellectuals, because the unfortunate reality is that there is a lot of anti-immigrant sentiment in the black community. When you have dramatic demographic change going on in places like South Central Los Angeles—well, it's the oldest trick in the book. It's called making those who don't have a lot but are making progress feel threatened by those coming after them. There is some conflict among Latinos, Asian and African Americans competing politically and economically, and this provides fertile ground for the kind of poison that the Tanton crowd has been trying to plant in the African-American community for years—the idea that Latinos in particular, and immigrants in general, are a threat.

Once again, all this is prefigured in the Tanton-Conner memos.

IR: That kind of conflict permeates our history, doesn't it?

Swartz: America's history is in part a story of ethnic succession. At times, we've had major ethnic violence surrounding this dynamic of ethnic succession. Benjamin Franklin was afraid Germans were going to come in and take over Pennsylvania and overwhelm the English language. We had the Know-Nothing Party that came up in response to the beginnings of Irish and Catholic migrations in the early and middle 19th century. There were similar responses to Jewish and Italian immigrants in the late 19th century. The KKK of the 1920s was rooted in anti-Catholicism. Today, Tanton works to create similar kinds of conflict amongst ethnic groups.

IR: During the 2000 Michigan senatorial race, Fair ran ads that essentially suggested that Spencer Abraham [R-Mich.] was allowing terrorists into the country by backing higher numbers of visas for immigrants with high-tech skills. The ads also implied, but didn't say directly, that that was because Abraham was an Arab American. Did the brouhaha over those ads hurt Fair? Didn't Alan Simpson, one of Fair's biggest supporters in the Senate, resign their board as a result?

Swartz: He did! Simpson condemned the ads. I think the attacks on Abraham really hurt Fair among certain Republicans. Something like 20 to 25 Senate Republicans put their names on a letter denouncing Fair for the Abraham attacks. Some of these senators today probably have no idea that so-called ''respectable'' organizations, like the Center for Immigration Studies, are linked to Fair. But to go back to the theme of infiltration, if you look at the record of witnesses before the House and Senate immigration subcommittees, you will see that Fair or some other Fair-connected group is a witness at the vast majority of the hearings. Thank you, Lamar Smith and Alan Simpson! Those kinds of relationships are legitimizing. Fair can say, ''How can you say we're an extremist group when we're being invited to testify to Congress at the time?'' It creates great camouflage.

IR: We're noticed some connections between the Tanton network and European anti-immigrant parties. For instance, Glenn Spencer, leader of the hate group Voice of Citizens Together and a Tanton grant recipient, recently shared the podium with Nick Griffin, leader of the neofascist British National Party. Both men spoke at an event put on by another racist outfit, American Renaissance magazine.

Swartz: There is a transatlantic character to the ideological underpinnings of the Tanton movement. I believe that there has been for years substantial financial and political and personnel interaction between the Tanton movement here and the anti-immigration movements in Europe. I remember in the '80s, when I was always debating Conner in a variety of public forums, that he made a lot of references to France, how he had just come back from France and so on.

In fact, I believe that Fair and Tanton have an agenda of seeking a Front National [a virulently anti-immigrant French party] type of political party in the United States, in significant part through their strong involvement in the Reform Party. Their takeover attempt was personified by the former governor of Colorado, Dick Lamm, who is a Fair adviser and director and who tried to run for president in 1996 on the Reform Party ticket. In 2000, Pat Buchanan, whose views are quite similar to those of Fair, also tried to take over the Reform Party. [Editor's note: Glenn Spencer was scheduled to speak to the Iowa Reform Party this April.] So while I can't name names, I would guess a significant number of Reform activists are connected to the Tanton network.

But then again, both Lamm and Buchanan failed pathetically. This gives hope that their ideology is seen as bankrupt by most Americans.

IR: Since California's Proposition 187 was thrown out by the courts in 1998, a number of anti-immigration groups like the Voice of Citizens Together/American Patrol and the California Coalition for Immigration Reform [CCIR] seem to have gotten significantly harder-line, and also far more conspiracy-oriented. At the same time, Tanton creations like Center for Immigration Studies very assiduously court mainstream respectability. Are these contradictory strategies?

Swartz: My guess is that every move is strategic and deliberate. The anti-immigration movement is both radicalizing on the fringes of the Tanton network and at the same time mainstreaming at the core of the network. In some ways, Fair is more moderate than it once was. NumbersUSA is also more sedate. Simultaneously, the harder edge is carried by people like [CCIR leader] Barbara Coe. She acts on the extremes, while Fair appears more ''sophisticated.''

My point is that Tanton is a brilliant tactician. He has created a system where he can have his cake and eat it, too. He has a political movement on the extremist, racial fringe that is stirring up popular discontent and hatred with its harsh rhetoric. There is a lot of fertile ground out there, and the fringe is increasingly significant in areas like what is going on in Iowa right now. At the same time, other Tanton groups are getting invited to testify before Congress on a regular basis.

IR: So what is your prognosis for the future?

Swartz: The challenge is to ensure that our political culture is not poisoned by Tanton and his crowd, and that leaders and citizens alike repudiate racial and ethnic fearmongering. Know-Nothing ideologies—and multimillion-dollar media buys—cannot be allowed to spawn racial and ethnic violence against immigrants.

In Europe over the last 20 years, Tanton-like leaders have resurrected far-right and sometimes violent movements—and political parties—rooted in the fear of the stranger. The Tanton vision laid out in the 1986 memos is of an apartheid United States beset by racial violence, and whites not going quietly into the night as their numbers are overwhelmed by the demographics of immigration.

It would be very unwise to underestimate the danger in the Camp of the Saints ideology that Tanton embodies and in the work that they have been doing for 25 years to turn immigrant against native, black against brown, and so on. But in the end, I am confident that the vast majority of Americans will, as they have in the past, reject the fearmonger and, through the toil of people from all over the world, build the freest and most prosperous nation yet known. America is hugely resilient and immigration is one of our priceless resources,

especially in the coming global age. I take nothing for granted when it comes to threats to America's future, but I am totally confident about the goodwill and common sense of America's people.

EGLI HILA

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to congratulate Egli Hila, seventh grader at South Middle School in Hartford, Connecticut, for being named a finalist in the national Do the Write Thing Challenge, and to submit the praiseworthy essay into the CONGRESSIONAL RECORD. I applaud Egli's efforts to tackle the growing problem of youth violence.

The Do the Write Thing Challenge is an initiative of the National Campaign to Stop Violence designed to give middle school students the opportunity to examine the impact of youth violence on their lives and to communicate in writing what they think should be done to change our culture and violence. The program encourages students to make personal commitments to do something about the problem with the ultimate goal of helping them break the cycles of violence in their homes, school, and neighborhoods.

In the world, people are faced with different issues as well as different emotions. There are people out there who are suffering from poverty, from lack of security in their lives but most of all people are constantly suffering from violence whether it's at home or in the streets. This eventually leads to physical and mental stress, anguish, pain, fear (and) hurt. No one wants it or even asks for it, but it still comes knocking at your door. What can one do when there is so much pain? Many questions come to mind but so little answers. How has violence affected my life? What do I think the major causes of youth violence are? What can do about youth violence? How can I stop it? I wish it didn't exist but it does and we have to deal with it the best way possible. These questions that have been raised are very hard to answer but I'll try to answer them to the best of my abilities and knowledge.

I keep repeating the questions in my head over and over again. How has violence affected my life? I can tell you that violence has affected my life but the most common one would be that it makes me angry at times and at other times I'm scared. One word ''violence'' makes me have so many mixed emotions running through me. Imagine what the actions of violence can do to a person. In schools I see fights and I try to understand why it is happening, but I can't. The people fighting are my fellow classmates. I feel bad for them not only because they will get physically hurt in the process but also they will get suspended. What good came out of it? I don't seem to grasp this concept. When the question of how violence has affected my life is addressed to me, I guess I have to say that in a weird way it has worked to benefit because I know what it is and what it leads to, so I try my best to stay away from it. As mentioned earlier, I also get scared because I see all this hate that people have for one another and it's just not right. I get scared because I don't want to to see a world full of hate and full of violence. I am striving for a better world than the one we live in now. In the future, I want to see happiness in people's faces and not sadness.

There are many causes of youth violence. Unfortunately, too many. The major causes would be domestic violence, meaning violence at home. When the parents for whatever (the) reason may be start hitting one another and they constantly scream and can't keep themselves under control, then it's obvious that a child at home who sees these unpleasant actions will eventually do the same thing in a different environment. Peer pressure is also a very big factor of youth violence. Kids by nature want to fit in especially by being in the ''cool group.'' What better way to fit in than do what the group says? If the group says you have to hurt that person whether it's physically or mentally, you want to do it because then you'll be considered ''cool'' and finally be accepted. That's how most kids fall into the trap and afterwards have a tough time getting out of it. Another cause of violence would be when kids put one another down and they get emotionally hurt. Also, gossip leads to violence because when kids hear these hurtful things being said about them, they want to fight back with the same weapon or go a step further and actually hurt someone physically. Call it revenge but whatever you call it, it will not make a difference because it's violence in the worst way.

Youth violence is simply very sad to think about. In my opinion, kids should think about doing good in schoolwork, making friends (not enemies) having fun, think about college, careers and have the power to dream for a better life for themselves and the people around them. I have been seriously thinking about this issue and what I can do about youth violence. The only answer I come up with is that I could try and stop it when I see it or if I can't stop the fight then I'll let an adult know what's going on so these kids could get help. These kids then might be able to talk about what's troubling them. I guess this could be a step toward recovery. Don't you agree?

Youth violence is everywhere but if we can limit is even just a little bit, then I think we have succeeded.

The courage and dedication that Egli has demonstrated in trying to stop youth violence is admirable. Few students would be able to verbalize their frustrations, let alone identify causes and solutions for youth violence in their schools. Egli Hila is a remarkable student and inspiration for other young Americans, and I would urge other students to follow Egli's example.

TRIBUTE TO MR. ISAAC WASHINGTON

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to Mr. Isaac Washington, who on June 15, 2002 was bestowed the National Newspaper Association's Publisher of the Year Award on behalf of the award winning Black Media Group. Mr. Washington was born in Columbia, S.C. and grew up in public housing, Allen-Benedict Court. But his experiences were not without love. Surrounded by the love of his parents and four siblings, brothers Eddie, Jeremiah and Oliver, Jr. and a sister, Ethel, young Isaac learned the value of reaching out to others.

A graduate of C.A. Johnson High School, he earned a bachelor's degree from Benedict College. His career began in the media business at Columbia's WIS–TV, where he served as Assistant Program Director and Director of Sales Traffic and Operations. He pioneered the Awareness program, WIS–TV's foray into minority affairs reporting and programming.

After his stint at WIS, Washington entered a partnership to publish Black News. His diverse media experience prepared him for his leadership role as President/Publisher of the South Carolina Black Media Group, SCBMG. Within a few years, SCBMG began marketing its product statewide, and eventually evolved into eight newspapers published in virtually every major market of the Palmetto State and in Fayetteville, N.C. In 1997, SCBMG consolidated its newspapers into one statewide publication, The Black News. Within the last three years, Black News has twice been a finalist for the coveted A. Philip Randolph Messenger Award, which honors Black newspapers for journalistic excellence in the field of civil rights.

Washington's community outreach also extends far beyond the walls of the newspaper office. He is a member of Zion Baptist Church in Columbia, where he serves as an ordained deacon and member of the Men's Committee. He also serves on the boards of the American Red Cross, the Will Lou Gray Foundation, and is a commissioner with the S.C. State Housing Authority. He is a lifelong member of Alpha Phi Alpha Fraternity, Inc. and the NAACP. He has been bestowed many honors, including an honorary doctorate of Religious Education from the C.E. Graham Bible College, and has been honored with a mural on the Columbia Housing Authority's Wall of Fame.

Washington established the S.C. Black Media Foundation, a nonprofit organization that provides opportunities for youth in the community through tutorial and job training programs, and provides public housing and other services for the elderly. Mr. Washington, a longtime personal friend, was presented his award during the Merit Awards Dinner, at NNPA's 62nd Annual convention, held in Jacksonville, FL.

He is married to the former Clannie Hart, and has one son, Isaac, Jr., who is a student at Benedict College.

Mr. Speaker, I ask that you and my colleagues join me in honoring an outstanding South Carolinian whose dedication to his profession and family is unparalleled. I wish him good luck and Godspeed.

INTRODUCING FOREIGN LANGUAGE TRAINING LEGISLATION

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. ROEMER. Mr. Speaker, I rise today to introduce, along with my distinguished colleagues, Representatives JIM GIBBONS, MIKE CASTLE, and SILVESTRE REYES, important legislation that strengthens our commitment to train students in foreign language proficiency, particularly languages that are of high national security interest to the United States such as Arabic, Farsi, and Hindi.

Since the tragic events of September 11, 2001, the federal government's deficiency with regard to the availability of experts proficient in

foreign languages and knowledgeable of cultures of national security interest has been exposed. This shortage of federal employees fluent in foreign languages is a major obstacle towards our objective of winning the war against terrorism. FBI Director Robert Mueller has underscored this concern through a public plea for Americans who are proficient in Arabic and Farsi to offer their services to the federal government.

This legislation takes great strides toward addressing the federal government's foreign language deficiency concerns by expanding and strengthening the National Security Education Program (NSEP) at the Pentagon. A stronger commitment to the NSEP by Congress will serve to increase the quantity and proficiency level of federal employees with expertise in the languages and cultures of countries critical to U.S. national security.

Nearly 80 federal agencies require professionals proficient in 100 foreign languages to deal with a wide range of threats, as well as to advance our diplomatic, commercial and economic interests worldwide. As a recent GAO study reported, technology advances that result in the collection of growing amounts of information and greater U.S. involvement in global activities have made it difficult for government agencies to meet their language requirements. This failure has been damaging to our nation's security. In hearings before the Senate Government Affairs Subcommittee on International Security, Proliferation and Federal Services one year prior to the terrorist attacks on the World Trade Center and Pentagon, government officials testified that language deficiencies had compromised U.S. military, law enforcement, intelligence, counter-terrorism, and diplomatic efforts. Yet, despite this demand for language expertise, only eight percent of American college students study a foreign language—a statistic that has not changed in 25 years.

The funding increase incorporated in this proposed legislation for NSEP will be used to increase the number of scholarships and fellowships for language and area studies that the program makes available to U.S. college and university students who commit to federal employment in a national security position as a condition of their award. The funds will also allow NSEP to quickly establish programs at major U.S. universities designed to produce professionals proficient at the advanced level in languages, such as Arabic, Farsi, Hindi, Turkish, Russian, Japanese, Chinese and Korean—all critical to U.S. national security. These programs will not only be available to NSEP award recipients but to other students and government employees who want to enhance their language proficiency. The $10 million increase in FY 2003 will supplement $8 million in annual trust fund expenditures currently incurred by the program.

NSEP has been highly successful in encouraging American students to pursue language and cultural studies in world regions critical to U.S. interests and helping those students find national security positions in the federal government. Since its creation in 1991, NSEP has awarded nearly 2,300 scholarships and fellowships for study of more than 35 languages in nearly 100 countries. About one in three to four awards are made to students in the applied sciences, and nearly three-quarters of NSEP award recipients fulfill their service requirement by working in positions at the Departments of Commerce, Defense, Justice, State, and Treasury, in the intelligence community, at NASA or USAID; and in the Congress. Given this impressive performance and the federal government's growing demand for language expertise and cultural knowledge, an expansion of the NSEP program is an essential, creative and cost-effective investment in our nation's future security.

Mr. Speaker, in conclusion, Congress must be proactive in this war on terrorism by resolutely addressing the federal government's foreign language deficiencies. Strengthening our commitment to proven foreign language education programs like the National Security Education program is an excellent start. I strongly urge my colleagues to review and cosponsor this important foreign language training legislation.

PERSONAL EXPLANATION

HON. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. COX. Mr. Speaker, on rollcall No. 331, the first of two amendments offered by Mr. Flake, I was recorded as ''aye'' but intended to vote ''No.'' For the record, I oppose the amendment.

STOP THE VIOLENCE

HON. JOHN B. LARSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 2002

Mr. LARSON of Connecticut. Mr. Speaker, I rise today to congratulate Olesya Koretska, a seventh grader at South Middle School in Hartford, Connecticut, for being named a finalist in the national Do the Write Thing Challenge, and to share her impressive essay with my colleagues. I commend Olesya for standing up to the constant pressures that she faces in her school, and for her courage in trying to combat the ever-growing problem of youth violence.

The Do the Write Thing Challenge is an initiative of the National Campaign to Stop Violence designed to give middle school students the opportunity to examine the impact of youth violence on their lives and to communicate in writing what they think should be done to change our culture and violence. The program encourages students to make personal commitments to do something about the problem with the ultimate goal of helping them break the cycles of violence in their homes, school, and neighborhoods.

I had the opportunity to meet with Olesya, and was amazed that she so ably articulated here concerns only after being in the Untied States for a few years. Not only has she overcome language and social barriers, Olesya has taken the initiative to remedy the problems that she and her classmates face everyday. In the short amount of time she has been in the Untied States, Olesya has immersed herself in her new environment and recognized what must be done to improve that environment for herself and her classmates.

Violence is one of the most important issues of our society because of its tremendous impact on the health and well being of our youth. Violence results in physical and mental injury of a person and sometimes even in death. It affects children, youth, and adults. It has affected (the) life of almost every person in the U.S.A. including me. There are the ways to get involved into violence, but there are the ways to avoid it too.

Having a good friend is one way to stay out of violence, but are you sure that you have a good friend? I was sure I did. However that ''good'' friend almost involved me in stealing. We were best friends and once she told me that she was a member of a gang I really wanted to join. I asked if I could be in the gang. She said yes, but I had to steal something for it. I was thinking about that all night long but I couldn't think of anything, so I asked my parents for advice. My parents explained to me that no friend would ask me to steal and if she did she was not worth to be my friend. So I left the gang and my friend. Now I'm glad that I took my parents' advice. It stopped me from doing something very bad.

The ideas about violence don't usually come to the youth by themselves. there are a lot of sources where teens can see or hear about it. For example, violent media. Sometimes the young fans of the famous actors can become thieves or even murderers after they've seen the movie with actor doing the same.

The other cause of the youth violence is the peer pressure. Often the youth is violent because of the bad friends. Once a girl I knew began to steal different things because she wanted her new friends to see how ''cool'' she was. And she did until she got caught. Then her friends who made her steal left her out. She was also punished at home and suspended from school. I think that choosing friends carefully is a better idea then this.

Another reason of the youth violence is domestic violence. On one hand, if a child grows up without parents, and nobody takes care of him he is not going to care about anybody else. He can take somebody's property or hurt somebody. On the other hand, if the parents love their child so much and give their child too much, give him and do for him whatever he wants then a child will get used to it. After that, he'll demand something from other people too. And that's what will later push him to violence. So it's very important that parents raise their children properly.

There are a lot of ways that we all can do to avoid violence. First, we can talk to our parents or teachers. Talking to somebody close to you helps a lot. For example, teachers can give you advice. Your parents can talk to you about their experience when they were young. They can also explain why violence is bad and unnecessary. All those may change our minds about violence.

Second, we should choose our friends carefully. For instance, if my new friend has violence problems then how do I know that she do something violent again? That's why we should avoid friends like that. Some teens can push you to violence, too.

Third, avoiding media makes your mind clear from violent thoughts. For example, my neighbor who watched too many violent movies hurt his sister while playing ''Spy'' games. After that his parents made him do something more interesting like reading, watching adventure movies and funny shows. After that the boy had changed. He stopped playing ''Spy'' games and he became a better student. Now he is very thankful to his parents.

We have to stop the violence! Then our future will be safe and peaceful.

I admire Olesya for her bravery in speaking out about youth violence and her commitment to stop it. Few students would be able to verbalize their frustrations, let alone identify causes and solutions for youth violence in their schools. Olesya Koretska is an extraordinary student and inspiration for other young Americans, and I would urge other students to follow in her remarkable footsteps.

Daily Digest

HIGHLIGHTS

Senate and House agreed to the Conference Report on H.R. 3763, Corporate and Auditing Accountability, Responsibility, and Transparency Act.

Senate passed H.R. 3210, Terrorism Risk Protection Act.

Senate passed H.R. 5121, Legislative Branch Appropriations Act.

The House agreed to H. Con. Res. 448 and H. Con. Res. 449, providing for a special meeting of the Congress in New York, on Friday, September 6, 2002, in remembrance of the victims and the heroes of September 11, 2001 and in recognition of the courage and spirit of the City of New York.

Senate

Chamber Action

Routine Proceedings, pages S7323–S7389

Measures Introduced: Twelve bills and four resolutions were introduced, as follows: S. 2790–2801, S.J. Res. 42, S. Res. 305–306, and S. Con. Res. 131.

Page S7372

Measures Reported:

H.R. 4737, to reauthorize and improve the program of block grants to States for temporary assistance for needy families, improve access to quality child care, with an amendment in the nature of a substitute. (S. Rept. No. 107–221)

S. 2797, making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2003. (S. Rept. No. 107–222)

S. 2801, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003. (S. Rept. No. 107–223)

S. Res. 300, encouraging the peace process in Sri Lanka, with an amendment and with an amended preamble. **Page S7371**

Measures Passed:

Terrorism Risk Protection Act: Senate passed H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism, after striking all after the enacting clause and inserting in lieu thereof the text of S. 2600, Senate companion measure, as passed the Senate on June 18, 2002. **Page S7332**

Senate insisted on its amendment, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Sarbanes, Dodd, Reed, Schumer, Gramm, Shelby, and Enzi.

Page S7332

Legislative Branch Appropriations: By 85 yeas to 14 nays (Vote No. 191), Senate passed H.R. 5121, making appropriations for the Legislative Branch for the fiscal year ending September 30, 2003, after inserting the text of S. 2720, Senate committee-reported bill, and after taking action on the following amendments proposed thereto:

Pages S7336–42, S7350

Adopted:

Durbin/Bennett Amendment No. 4319, making certain technical corrections. **Page S7337**

Durbin/Bennett Amendment No. 4320, to modify provisions relating to the Capitol Police **Page S7339**

Durbin (for Landrieu/Durbin) Amendment No. 4321, to set aside funds for activities relating to the Louisiana Purchase Bicentennial Celebration.

Page S7339

Durbin (for Cochran/Durbin/Bennett) Amendment No. 4322, to provide funding for the Congressional Award Act. **Page S7339**

Durbin (for Specter/Durbin) Amendment No. 4323, to provide for a pilot program for mailings to town meetings. **Pages S7339–41**

Durbin (for Dodd) Amendment No. 4324, providing public safety exception to inscriptions requirement on mobile offices. **Page S7341**

Senate insisted on its amendments, requested a conference with the House thereon, and the Chair was authorized to appoint the following conferees on the part of the Senate: Senators Durbin, Johnson, Reed, Byrd, Bennett, Stevens, and Cochran. **Page S7350**

Greater Access to Affordable Pharmaceuticals Act: Senate continued consideration of S. 812, to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals, taking action on the following amendments proposed thereto: **Pages S7327–36, S7350**

Adopted:

Rockefeller Amendment No. 4316 (to Amendment No. 4299), to provide temporary State fiscal relief. (Subsequently, the pending cloture motion on the amendment was withdrawn. **Pages S7327–36, S7350**

Pending:

Reid (for Dorgan) Amendment No. 4299, to permit commercial importation of prescription drugs from Canada. **Pages S7327–36**

During consideration of this measure today, Senate also took the following action:

By 75 yeas to 24 nays (Vote No. 190), three-fifths of those Senators duly chosen and sworn, having voted in the affirmative, Senate agreed to the motion to waive section 205 of H. Con. Res. 290, 2001 Congressional Budget Resolution, with respect to Rockefeller Amendment No. 4316 (to Amendment No. 4299), listed above. Subsequently, the point of order that the emergency designation in Section C of the amendment, violates section 205 of H. Con. Res. 290, 2001 Congressional Budget Resolution, was not sustained. **Pages S7327–36**

A unanimous-consent agreement was reached providing for further consideration of the bill on Friday, July 26, 2002, with Senator Gregg or his designee being recognized to offer a second degree amendment. **Page S7365**

Corporate and Auditing Accountability, Responsibility, and Transparency Act Conference Report: By a unanimous vote of 99 yeas (Vote No. 192), Senate agreed to the conference report on H.R. 3763, to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws, clearing the measure for the President. **Pages S7350–65**

Nomination/Greater Access to Affordable Pharmaceuticals Act—Agreement: A unanimous-consent agreement was reached providing that immediately after the cloture vote on the nomination of Julia Smith Gibbons, of Tennessee, to be United States Circuit Judge for the Sixth Circuit, all time post cloture be considered used, and that on Monday, July 29, at 5:30 p.m., the Senate proceed to Executive Session to vote on the nomination, that upon confirmation, the President be immediately notified of the Senate's action, and the Senate return to Legislative Session; further that on Friday, July 26, immediately following the cloture vote on the nomination, the Senate return to Legislative Session and resume consideration of S. 812, to amend the Federal Food, Drug, and Cosmetic Act to provide greater access to affordable pharmaceuticals, and Senator Gregg or his designee be recognized to offer a second degree amendment; that during Friday's session, there be up to 3 hours for debate with respect to the amendment, with the time equally divided and controlled between Senators Kennedy and Gregg or their designees; that whenever the Senate resumes consideration of S. 812, the Gregg or designee amendment remain debatable. **Page S7365**

Nomination—Agreement: A unanimous-consent agreement was reached providing for the consideration of the nomination of Christopher C. Conner, to be United States District Judge for the Middle District of Pennsylvania, The Judiciary, on Friday, July 26, 2002, with a vote to occur thereon, following the cloture vote on the nomination of Julia Smith Gibbons, of Tennessee, to be United States Circuit Judge for the Sixth Circuit. **Pages S7366, S7384**

Appointments:

Congressional Hunger Fellows Program: The Chair, on behalf of the Republican Leader, pursuant to Public Law 107–171, announced the appointment of Mr. Robert H. Forney, of Indiana, to serve as a member of the Board of Trustees of the Congressional Hunger Fellows Program. **Page S7384**

National Skill Standards Board: The Chair, on behalf of the President pro tempore, pursuant to Public Law 103–227, appointed the following individual to the National Skill Standards Board for a term of four years: Upon the recommendation of the Republican Leader: Betty W. DeVinney of Tennessee, Representative of Business. **Page S7384**

Nominations Confirmed: Senate confirmed the following nominations: Paul A. Quander, Jr., of the District of Columbia, to be Director of the District of Columbia Offender Supervision, Defender, and Courts Services Agency for a term of six years. (New Position)

Paul S. Atkins, of Virginia, to be a Member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 2003.

Cynthia A. Glassman, of Virginia, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2006.

Roslynn R. Mauskopf, of New York, to be United States Attorney for the Eastern District of New York for the term of four years.

Todd Walther Dillard, of Maryland, to be United States Marshal for the Superior Court of the District of Columbia for the term of four years. (Reappointment)

Robert R. Rigsby, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Harold D. Stratton, of New Mexico, to be Chairman of the Consumer Product Safety Commission.

Harold D. Stratton, of New Mexico, to be a Commissioner of the Consumer Product Safety Commission for the remainder of the term expiring October 26, 2006.

Anthony Lowe, of Washington, to be Federal Insurance Administrator, Federal Emergency Management Agency.

David William Thomas, of Delaware, to be United States Marshal for the District of Delaware for the term of four years.

Thomas M. Fitzgerald, of Pennsylvania, to be United States Marshal for the Western District of Pennsylvania for the term of four years.

G. Wayne Pike, of Virginia, to be United States Marshal for the Western District of Virginia for the term of four years.

Steven D. Deatherage, of Illinois, to be United States Marshal for the Central District of Illinois for the term of four years.

Harvey Jerome Goldschmid, of New York, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 2004.

Roel C. Campos, of Texas, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2005. **Pages S7383–84, S7389**

Nominations Received: Senate received the following nominations:

Jeffrey S. White, of California, to be United States District Judge for the Northern District of California.

Kent A. Jordan, of Delaware, to be United States District Judge for the District of Delaware.

Sandra J. Feuerstein, of New York, to be United States District Judge for the Eastern District of New York.

1 Air Force nomination in the rank of general.

34 Army nominations in the rank of general.

Routine lists in the Air Force, Army, Navy. **Pages S7384–89**

Messages From the House: **Pages S7370–71**

Measures Referred: **Page S7371**

Measures Placed on Calendar: **Page S7371**

Measures Read First Time: **Page S7371**

Executive Reports of Committees: **Pages S7371–72**

Additional Cosponsors: **Pages S7372–73**

Statements on Introduced Bills/Resolutions: **Pages S7373–80**

Additional Statements: **Page S7370**

Amendments Submitted: **Pages S7380–82**

Notices of Hearings/Meetings: **Page S7282**

Authority for Committees to Meet: **Pages S7382–83**

Record Votes: Three record votes were taken today. (Total—192) **Pages S7336, S7350, S7365**

Adjournment: Senate met at 9:30 a.m., and adjourned at 6:59 p.m., until 9:55 a.m., on Friday, July 26, 2002.

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Appropriations: Committee ordered favorably reported the following bills:

An original bill (S. 2797) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 2003;

An original bill (S. 2801) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2003;

An original bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 2003; and

An original bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2003.

STRATEGIC OFFENSIVE REDUCTION TREATY

Committee on Armed Services: Committee held hearings to examine the national security implications of the Strategic Offensive Reductions Treaty, also known as the Moscow Treaty (Treaty Doc. 107–8), receiving

testimony from Donald H. Rumsfeld, Secretary of Defense; and Gen. Richard B. Myers, USAF, Chairman, Joint Chiefs of Staff.

Hearings will resume on Thursday, August 1.

BUSINESS MEETING

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported the nominations of Paul S. Atkins, of Virginia, Harvey Jerome Goldschmid, of New York, Cynthia A. Glassman, of Virginia, and Roel C. Campos, of Texas, each to be a Member of the Securities and Exchange Commission.

AVIATION SECURITY

Committee on Commerce, Science, and Transportation: Committee held hearings to examine the Transportation Security Administration and aviation security transition, focusing on the deployment of baggage screening equipment, cockpit security, and air cargo security, receiving testimony from Senators Bob Smith and Murkowski; Norman Y. Mineta, Secretary of Transportation, who was accompanied by several of his associates; Gerald Dillingham, Director, Physical Infrastructure Issues, General Accounting Office; Richard D. Stephens, Boeing Company, Seal Beach, California; Craig Coy, Massachusetts Port Authority, East Boston; Stephen Luckey, National Flight Security Committee, Washington, D.C.; and Ed Davidson, Northwest Airlines, Inc., St. Paul, Minnesota.

Hearings recessed subject to call.

NATIONAL FOREST SYSTEMS RESTORATION PROJECTS

Committee on Energy and Natural Resources: Subcommittee on Public Lands and Forests concluded hearings on S. 2672, to provide opportunities for collaborative restoration projects on National Forest System and other public domain lands, after receiving testimony from Jim Hughes, Deputy Director, Bureau of Land Management, Department of the Interior; Thomas J. Mills, Deputy Chief, Business Operations, Forest Service, Department of Agriculture; Joyce Dearstyne, Framing Our Community, Elk City, Idaho; Maia Enzer, Sustainable Northwest, Portland, Oregon; and Steve Holmer, American Lands Alliance, Washington, D.C.

BUSINESS MEETING

Committee on Environment and Public Works: Committee ordered favorably reported the following business items:

S. 1602, to help protect the public against the threat of chemical attack, with an amendment in the nature of a substitute;

S. 1746, to amend the Atomic Energy Act of 1954 and the Energy Reorganization Act of 1974 to strengthen security at sensitive nuclear facilities, with an amendment in the nature of a substitute;

S. 1850, to amend the Solid Waste Disposal Act to bring underground storage tanks into compliance with subtitle I of that Act, to promote cleanup of leaking underground storage tanks, and to provide sufficient resources for such compliance and cleanup, with an amendment in the nature of a substitute;

S. 2771, to amend the John F. Kennedy Center Act to authorize the Secretary of Transportation to carry out a project for construction of a plaza adjacent to the John F. Kennedy Center for the Performing Arts; and

The nominations of John S. Bresland, of New Jersey, to be a Member, and Carolyn W. Merritt, of Illinois, to be Chairperson and Member, each of the Chemical Safety and Hazard Investigation Board, and John Peter Suarez, of New Jersey, to be Assistant Administrator for Enforcement and Compliance, Environmental Protection Agency.

BUSINESS MEETING

Committee on Foreign Relations: Committee ordered favorably reported the following business items:

Agreement Establishing the South Pacific Regional Environment Programme, done at Apia on June 16, 1993 (Treaty Doc. 105–32), with one declaration;

Treaty Between the Government of the United States of America and the Government of Niue on the Delimitation of a Maritime Boundary, signed in Wellington, May 13, 1997 (Treaty Doc. 105–53);

S. Res. 300, encouraging the peace process in Sri Lanka, with an amendment; and

The nominations of Randolph Bell, of Virginia, for the rank of Ambassador during his tenure of service as Special Envoy for Holocaust Issues, James Irvin Gadsden, of Maryland, to be Ambassador to the Republic of Iceland, James Franklin Jeffrey, of Virginia, to be Ambassador to the Republic of Albania, Michael Klosson, of Maryland, to be Ambassador to the Republic of Cyprus, Norman J. Pattiz, of California, to be a Member of the Broadcasting Board of Governors, Paul William Speltz, of Texas, to be United States Director of the Asian Development Bank, with the rank of Ambassador, Mark Sullivan, of Maryland, to be United States Director of the European Bank for Reconstruction and Development, and Kenneth Y. Tomlinson, of Virginia, to be a Member and Chairman of the Broadcasting Board of Governors.

Also, committee began consideration of the Convention on the Elimination of All Forms of Discrimination Against Women, adopted by the United Nations General Assembly on December 18, 1979, and signed on behalf of the United States of America

on July 17, 1980 (Treaty Doc. 96–53), but did not complete action thereon, and will meet again on Tuesday, July 30.

BUSINESS MEETING

Committee on Governmental Affairs: Committee approved the motion to authorize the Chairman to withdraw the committee amendments to S. 2452, to establish the Department of National Homeland Security and the National Office for Combating Terrorism, as approved by the committee on May 22, 2002, when the committee ordered the bill favorably reported, and today, approved a floor amendment in the nature of a substitute to S. 2452 (pending on Senate calendar).

VIOLENCE AGAINST WOMEN IN THE WORKPLACE

Committee on Health, Education, Labor, and Pensions: Committee concluded hearings to examine violence against women in the workplace, focusing on coordinated community response partnerships with employers, to educate them about the dangers of domestic violence, sexual assault, and stalking, and assist them in establishing effective policies and programs; after receiving testimony from Diane Stuart, Director, Violence Against Women Office, Office of Justice Programs, Department of Justice; Kathy Evsich, Women Against Domestic Violence, Swannanoa, North Carolina; Sidney Harman, Harman International Industries, Inc., Washington, D.C.; and Kathy Rodgers, NOW-Legal Defense and Education Fund, New York, New York.

INDIAN MONEY ACCOUNTS

Committee on Indian Affairs: Committee concluded hearings to examine the July 2, 2002 Report of the Department of the Interior to Congress on historical accounting of Individual Indian Money Accounts, after receiving testimony, after receiving testimony from McCoy Williams, Director, Financial Management and Assurance, General Accounting Office; James Cason, Associate Deputy Secretary, Bert Edwards, Executive Director, Office of Historical Trust Accounting, and Tom Slonaker, Special Trustee for American Indians, all of the Department of the Interior; and William F. Causey, Nixon Peabody, LLP, Washington, D.C.

DEPARTMENT OF JUSTICE

Committee on the Judiciary: Committee concluded oversight hearings to examine Department of Justice issues, including its ability to mobilize law enforcement resources and the justice system in order to prevent future terrorist attacks on the United States and its citizens, the nation's murder and crime rate, counter-terrorism efforts and budget requests, background checks, visa requirements, and Civil Rights interests, receiving testimony from John D. Ashcroft, Attorney General, Department of Justice.

House of Representatives

Chamber Action

Measures Introduced: Measures introduced will appear in the next issue of the Record.

Reports Filed: Reports were filed today as follows:

H.R. 4620, to accelerate the wilderness designation process by establishing a timetable for the completion of wilderness studies on Federal lands (H. Rept. 107–613);

S. 1057, to authorize the addition of lands to Pu'uhonua o Honaunau National Historical Park in the State of Hawaii (H. Rept. 107–614);

H. Res. 502, providing for consideration of H.R. 5005, to establish the Department of Homeland Security (H. Rept. 107–615); and

H.R. 1784, to establish an Office on Women's Health within the Department of Health and Human Services, amended (H. Rept. 107–616).

(See next issue.)

Corporate and Auditing Accountability, Responsibility, and Transparency Act Conference Report: The House agreed to the conference report on H.R. 3763, Corporate and Auditing Accountability, Responsibility, and Transparency Act by a yea-and-nay vote of 423 yeas to 3 nays, Roll No. 348. The conference report was considered pursuant to the order of the House of Wednesday, July 24.

Pages H5462–80

Bob Stump National Defense Authorization Act for Fiscal Year 2003: The House agreed to the Senate amendment to H.R. 4546, to authorize appropriations for fiscal year 2003 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, with an amendment in the nature of a substitute. The House amendment consists of the text of H.R. 4546 and the text of H.R. 4547, as passed by the House. The House then insisted on its amendment and asked for a conference with the Senate. **Page H5480**

Appointed as conferees: From the Committee on Armed Services, for consideration of the House amendment and the Senate amendment, and modifications committed to conference: Chairman Stump and Representatives Hunter, Hansen, Weldon of Pennsylvania, Hefley, Saxton, McHugh, Everett, Bartlett of Maryland, McKeon, Watts of Oklahoma, Thornberry, Hostettler, Chambliss, Jones of North Carolina, Hilleary, Graham, Skelton, Spratt, Ortiz, Evans, Taylor of Mississippi, Abercrombie, Meehan, Underwood, Allen, Snyder, Reyes, Turner, and Tauscher. **Page H5607**

From the Permanent Select Committee on Intelligence for consideration of matters within the jurisdiction of that committee under clause 11 of rule X: Chairman Goss and Representatives Bereuter and Pelosi. **Page H5607**

From the Committee on Education and the Workforce, for consideration of secs. 341–343, and 366 of the House amendment, and secs. 331–333, 542, 656, 1064, and 1107 of the Senate amendment, and modifications committed to conference: Representatives Isakson, Wilson of South Carolina, and George Miller of California. **Page H5607**

From the Committee on Energy and Commerce, for consideration of secs. 601 and 3201 of the House amendment, and secs. 311, 312, 601, 3135, 3155, 3171–3173, and 3201 of the House amendment, and modifications committed to conference: Chairman Tauzin and Representatives Barton of Texas and Dingell. **Page H5607**

From the Committee on Government Reform, for consideration of secs. 323, 804, 805, 1003, 1004, 1101–1106, 2811, and 2813 of the House amendment, and secs. 241, 654, 817, 907, 1007–1009, 1061, 1101–1106, 2811, and 3173 of the Senate amendment, and modifications committed to conference: Chairman Burton and Representatives Weldon of Florida and Waxman. **Pages H5607–08**

From the Committee on International Relations, for consideration of secs. 1201, 1202, 1204, Title XI, and sec. 3142 of the House amendment, subtitle A of Title X, secs. 1212–1216, 3136, 3151, and 3156–3161 of the Senate amendment, and modifications committed to conference: Chairman Hyde and Representatives Gilman and Lantos. **Page H5608**

From the Committee on Judiciary, for consideration of secs. 811 and 1033 of the House amendment, and secs. 1067 and 1070 of the Senate amendment, and modifications committed to conference: Chairman Sensenbrenner and Representatives Smith of Texas and Conyers. **Page H5608**

From the Committee on Resources, for consideration of secs. 311, 312, 601, title XIV, secs. 2821, 2832, 2841, and 2863 of the House amendment, and secs. 601, 2821, 2823, 2828, and 2841 of the Senate amendment, and modifications committed to conference: Representatives Duncan, Gibbons, and Rahall. **Page H5608**

From the Committee on Science, for consideration of secs. 244, 246, 1216, 3155, and 3163 of the Senate amendment, and modifications committed to

conference: chairman Boehlert, Smith of Michigan, and Hall of Texas. **Page H5608**

From the Committee on Transportation and Infrastructure, for consideration of sec. 601 of the House amendment, and secs. 601 and 1063 of the Senate amendment, and modifications committed to conference: Chairman Young of Alaska, LoBiondo, and Brown of Florida. **Page H5608**

From the Committee on Veterans' Affairs, for consideration of secs. 641, 651, 721, 723, 724, 726, 727, and 728 of the House amendment, and secs. 541 and 641 of the Senate amendment, and modifications committed to conference: Chairman Smith of New Jersey, Bilirakis, Jeff Miller of Florida, Filner, and Carson. **Page H5608**

Agreed to the Taylor of Mississippi motion to instruct conferees to insist upon the provisions of section 1551 of the House amendment (relating to the establishment of at least one Weapons of Mass Destruction Civil Support Team in each State) by a yea-and-nay vote of 419 yeas to 2 nays, Roll No. 349. **Pages H5602–07**

Agreed to close the meetings of the conference at such times as classified national security material may be broached by a recorded vote of 420 ayes to 3 noes, Roll No. 350. **Page H5608**

Suspension—Improving Access to Long-Term Care: The House agreed to suspend the rules and pass H.R. 4946, amended, to amend the Internal Revenue Code to provide health care incentives related to long-term care by a yea-and-nay vote of 362 yeas to 61 nays, Roll No. 351. Agreed to amend the title so as to read "A bill to amend the Internal Revenue Code of 1986 to provide health care incentives.". The motion was debated on July 23. **Pages H5608–09**

Special Meeting of the Congress in New York, New York: The House agreed to H. Con. Res. 448, providing for a special meeting of the Congress in New York, New York, on Friday, September 6, 2002, in remembrance of the victims and the heroes of September 11, 2001, in recognition of the courage and spirit of the City of New York, and for other purposes. And the House agreed to H. Con. Res. 449, providing for representation by Congress at a special meeting in New York, New York on Friday, September 6, 2002. **Pages H5609–14, H5615**

Recess: The House recessed at 3:34 p.m. and reconvened at 7 p.m. **Page H5621**

Party Designation: Read a letter from Representative Goode wherein he requested that his party designation be changed to Republican on all official publications and databases of the House of Representatives, effective August 1, 2002. **Page H5621**

Homeland Security Act: The House completed general debate and began considering amendments to H.R. 5005, to establish the Department of Homeland Security. **(See next issue.)**

Pursuant to the rule, the amendment in the nature of a substitute recommended by the Select Committee on Homeland Security now printed in the bill (H. Rept. 107–609, Part 1) was considered as an original bill for the purpose of amendment. **(See next issue.)**

Agreed To:

Young of Alaska Amendment No. 2 printed in H. Rept. 107–615 that restores FEMA as an entity and maintain its role as the lead agency for the Federal Response Plan; **(See next issue.)**

Cox Amendment No. 4 printed in H. Rept. 107–615 that clarifies that the Department of Homeland Security is responsible for cybersecurity and protection of its infrastructure; **(See next issue.)**

Israel Amendment No. 5 printed in H. Rept. 107–615 that establishes an advisory committee for the Under Secretary for Science and Technology; **(See next issue.)**

Woolsey Amendment No. 7 printed in H. Rept. 107–615 that establishes a Homeland Security Institute as a research and development center; **(See next issue.)**

Hunter Amendment No. 9 printed in H. Rept. 107–615 that expresses the sense of Congress that the completion of the San Diego Border Fence Project should be a priority of the Department of Homeland Security; **(See next issue.)**

Ose Amendment No. 10 printed in H. Rept. 107–615 that requires a plan within one year to consolidate and co-locate regional and field offices in each of the cities with existing offices transferred to the Department of Homeland Security; **(See next issue.)**

Velázquez Amendment No. 11 printed in H. Rept. 107–615 that ensures that the Department of Homeland Security has procurement goals for small businesses; **(See next issue.)**

Hastings of Florida Amendment No. 12 printed in H. Rept. 107–615 that directs the Secretary to comply with laws protecting equal employment opportunity and providing whistleblower protections; **(See next issue.)**

Kingston Amendment No. 13 printed in H. Rept. 107–615 that ensures that if the Federal Law Enforcement Training Center is transferred to the Department of Justice, the Department of Justice will not alter the operations of the center; **(See next issue.)**

Rush Amendment No. 15 printed in H. Rept. 107–615 that establishes an office for state and local government coordination; and **(See next issue.)**

Shays Amendment No. 16 printed in H. Rept. 107–615 that requires biennial reports to Congress on the status of homeland security preparedness, including an assessment for each state, and a report within one year of enactment that assesses the progress of the Department in implementing the Act to ensure that core functions of each entity transferred to the Department are maintained and strengthened and recommending any conforming changes in law necessary to the further implementation of the Act. **(See next issue.)**

Amendments Offered and Further Proceedings Postponed Until Friday, July 26:

Oberstar Amendment No. 1 printed in H. Rept. 107–615 that seeks to retain FEMA as an independent agency with responsibility for natural disaster preparedness, response, and recovery; **(See next issue.)**

Cardin Amendment No. 8 printed in H. Rept. 107–615 that preserves the Customs Service as a distinct entity within the Department of Homeland Security; and **(See next issue.)**

Rogers of Kentucky Amendment No. 14 printed in H. Rept. 107–615 that gives permissive authority to the Secretary to establish and operate a permanent Joint Interagency Homeland Security Task Force. **(See next issue.)**

Withdrawn:

Rivers Amendment No. 6 printed in H. Rept. 107–615 was offered but subsequently withdrawn that sought to establish an Office of Inquiries within the Department of Science and Technology to review proposals to develop or deploy products that would contribute to homeland security. **(See next issue.)**

Agreed to H. Res. 502, the rule that provided for consideration of the bill by voice vote. Earlier, agreed to consider the resolution by unanimous consent. **Pages H5621–31**

Recess: the House recessed at 12:40 a.m. on Friday, July 26 and is expected to reconvene at approximately 8:30 a.m. on Friday, July 26.

Senate Messages: Messages received from the Senate today appear on pages H5614–15 and H5631.

Referrals: S. 434 was referred to the Committee on Resources and S. 1175 was held at the desk. **(See next issue.)**

Quorum Calls—Votes: Three yea-and-nay votes and one recorded vote developed during the proceedings of the House today and appears on pages H5480, H5607, H5608, and H5609. There were no quorum calls.

Adjournment: The House met at 10 a.m. and at 12:40 a.m. on Friday, July 26 stands in recess until approximately 8:30 a.m. on Friday, July 26.

Committee Meetings

DRUG REIMPORTATION

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled "Examining Prescription Drug Reimportation: a Review of a Proposal to Allow Third Parties to Reimport Prescription Drugs." Testimony was heard from William Hubbard, Senior Associate Commissioner, Office of Policy, Planning and Legislation, FDA, Department of Health and Human Services; and public witnesses.

U.S. NATIONAL CLIMATE CHANGE ASSESSMENT

Committee on Energy and Commerce: Subcommittee on Oversight and Investigations held a hearing entitled "The U.S. National Climate Change Assessment: Do the Climate Models Project a Useful Picture of Regional Climate?" Testimony was heard from public witnesses.

REAUTHORIZATION REQUESTS—WORLDBANK INTERNATIONAL DEVELOPMENT ASSOCIATION AND AFRICAN DEVELOPMENT FUND

Committee on Financial Services: Subcommittee on International Monetary Policy and Trade held a hearing on the expected authorization requests on the U.S. participation in the World Bank-International Development Association and the African Development Fund. Testimony was heard from John Taylor, Under Secretary, International Affairs, Department of the Treasury.

DIET, PHYSICAL ACTIVITY, AND DIETARY SUPPLEMENTS—IMPROVING HEALTH

Committee on Government Reform: Held a hearing on "Diet, Physical Activity, and Dietary Supplements—the Scientific Basis for Improving Health, Saving Money, and Preserving Personal Choice." Testimony was heard from the following officials of the Department of Health and Human Services: Paul Coates, Director, Office of Dietary Supplements, NIH; and William Dietz, M.D., Director, Division of Nutrition and Physical Activity, Centers for Disease Control and Prevention; and public witnesses.

USING RUSSIAN DEBT TO ENHANCE SECURITY

Committee on International Relations: Held a hearing on Loose Nukes, Biological Terrorism, and Chemical Warfare: Using Russian Debt to Enhance Security. Testimony was heard from Representative Tauscher; Alan P. Larson, Under Secretary, Economic, Business, and Agricultural Affairs, Department of State; and public witnesses.

MISCELLANEOUS MEASURES

Committee on International Relations: Subcommittee on International Operations and Human Rights approved for full Committee action, as amended, the following measures: H. Con. Res. 349, calling for an end to the sexual exploitation of refugees; and H. Con. Res. 351, expressing the sense of Congress that the United States should condemn the practice of execution by stoning as a gross violation of human rights.

OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS

Committee on Resources: Subcommittee on Energy and Mineral Resources held a hearing on H.R. 5156, to amend the Outer Continental Shelf Lands Act to protect the economic and land use interests of the Federal Government in the management of outer continental shelf lands for energy-related and certain other purposes. Testimony was heard from Johnnie Burton, Director, Minerals Management Service, Department of the Interior; and a public witness.

MARINE MAMMAL PROTECTION ACT AMENDMENTS

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans approved for full Committee action, as amended, H.R. 4781, Marine Mammal Protection Act Amendments of 2002.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Forests, and Forests Health, the Subcommittee on National Parks, Recreation and Public Lands, and the Subcommittee on Fisheries Conservation and Oceans held a joint hearing on the following bills: H.R. 2386, Outfitters Policy Act of 2002; H.R. 1811, PILT and Refuge Revenue Sharing Permanent Funding Act; H.R. 5081, Property Tax Endowment Act of 2002; H.R. 5180, to direct the Secretary of Agriculture to convey real property in the Dixie National Forest in the State of Utah; and H.R. 5032, to authorize the Secretary of Agriculture to convey National Forest System lands in the Mendocino National Forest, California, to authorize the use of the proceeds from such conveyances for National Forest purposes. Testimony was heard from Representatives McInnis and Radanovich; the following officials of the Department of the Interior: Sherry Barnett, Deputy Assistant Director, Renewable Resources, Bureau of Land Management; and Chris Kearney, Deputy Assistant Secretary, Policy/International Affairs; Abigail Kimbell, Associate Deputy Chief, National Forest System, USDA; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Water and Power approved for full Committee action the following bills: H.R. 4910, amended, to authorize the Secretary of the Interior to revise a repayment contract with the Tom Green County Water Control and Improvement District No. 1, San Angelo project, Texas; and H.R. 5123, to address certain matter related to Colorado River water management and the Salton Sea by providing funding for habitat enhancement projects at the Salton Sea.

Prior to this action, the Subcommittee held a hearing on these measures. Testimony was heard from the following officials of the Bureau of Reclamation, Department of the Interior: Mark A. Limbaugh, Director, External and Intergovernmental Affairs; and Bob Johnson, Regional Director, Lower Colorado Region; and public witnesses.

HOMELAND SECURITY ACT

Committee on Rules: Granted, by voice vote, a structured rule providing 90 minutes of debate on H.R. 5005, Homeland Security Act of 2002. The rule waives all points of order against consideration of the bill. The rule provides that the amendment in the nature of a substitute recommended by the Select Committee on Homeland Security now printed in the bill shall be considered as an original bill for the purpose of amendment and shall be considered as read. The rule waives all points of order against the bill, as amended.

The rule provides that no amendment to the committee amendment in the nature of a substitute shall be in order except those printed in the Rules Committee report accompanying the resolution and amendments en bloc described in section 3 of the resolution. The rule provides that each amendment printed in the report may be offered only in the order printed in the report, may be offered only by a Member designated in the report, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole, except as specified in section 4 of the resolution.

The rule waives all points of order against the amendments printed in the report or amendments en bloc described in section 3 of the resolution. The rule provides that it shall be in order at any time for the chairman of the Select Committee on Homeland Security or his designee to offer amendments en bloc consisting of amendments printed in the report not earlier disposed of or germane modifications of any such amendment.

The rule provides that amendments en bloc offered pursuant to the rule shall be considered as read (except that modifications shall be reported), shall be debatable for 20 minutes equally divided and controlled by the chairman and ranking minority member of the Select Committee on Homeland Security or their designees, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. The rule provides that for the purpose of inclusion in such amendments en bloc, an amendment printed in the form of a motion to strike may be modified to the form of a germane perfecting amendment to the text originally proposed to be stricken. The rule provides that the original proponent of an amendment included in such amendments en bloc may insert a statement in the Congressional Record immediately before the disposition of the amendments en bloc.

The rule provides that the Chairman of the Committee of the Whole may recognize for consideration of any amendment printed in the report out of the order printed, but not sooner than one hour after the chairman of the Select Committee on Homeland Security or his designee announces from the floor a request to that effect. Finally, the rule provides one motion to recommit with or without instructions.

DOE'S OFFICE OF SCIENCE—FUTURE DIRECTION

Committee on Science: Subcommittee on Energy held a hearing on Future Direction of the Department of Energy's Office of Science. Testimony was heard from Raymond Orbach, Director, Office of Science, Department of Energy; Gary Jones, Director, National Resources and Environment, GAO; and public witnesses.

OVERSIGHT—BETTER TRANSPORTATION SYSTEMS

Committee on Transportation and Infrastructure: Subcommittee on Highways and Transit held an oversight hearing on Transportation Solutions in a Community Context: the Need for Better Transportation Systems for Everyone. Testimony was heard from public witnesses.

VETERANS' LEGISLATION

Committee on Veterans' Affairs: Subcommittee on Benefits concluded hearings on the following bills: H.R. 5111, Servicemember's Civil Relief Act; and H.R. 4017, Soldiers' and Sailors' Civil Relief Equity Act. Testimony was heard from public witnesses.

SSI PROGRAMS—FRAUD AND ABUSE

Committee on Ways and Means: Subcommittee on Human Resources held a hearing on fraud and abuse in the Supplemental Security Income (SSI) program. Testimony was heard from the following officials of the SSA: James B. Lockhart, I, Deputy Commissioner; and James G. Huse, Jr., Inspector General; Robert Robertson, Director, Education, Workforce, and Income Security Issues, GAO; Hal Daub, Chairman, Social Security Advisory Board; and a public witness.

Joint Meetings

9/11 INTELLIGENCE INVESTIGATION

Joint Hearing: Senate Select Committee on Intelligence held joint closed hearings with the House Permanent Select Committee on Intelligence to examine events surrounding September 11, 2001.

Joint hearings recessed subject to call.

SECURING AMERICA'S FUTURE ENERGY ACT

Conferees met to resolve the differences between the Senate and House passed versions of H.R. 4, to enhance energy conservation, research and development and to provide for security and diversity in the energy supply for the American people, but did not complete action thereon, and recessed subject to call.

NEW PUBLIC LAWS

(For last listing of Public Laws, see DAILY DIGEST *of July 24, 2002, p. D821)*

H.R. 2362, to establish the Benjamin Franklin Tercentenary Commission. Signed on July 24, 2002. (Public Law 107–202)

H.R. 3971, to provide for an independent investigation of Forest Service firefighter deaths that are caused by wildfire entrapment or burnover. Signed on July 24, 2002. (Public Law 107–203)

COMMITTEE MEETINGS FOR FRIDAY, JULY 26, 2002

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Armed Services: to hear and consider the nominations of Lt. Gen. James T. Hill, USA, for appointment to the grade of general and assignment as Commander in Chief, United States Southern Command; and Vice Adm. Edmund P. Giambastiani Jr., USN, for appointment to the grade of admiral and assignment as Commander in Chief, United States Joint Forces Command, 9:30 a.m., SR–222.

Committee on Health, Education, Labor, and Pensions: Subcommittee on Children and Families, to hold hearings to examine birth defect screening, focusing on strategies for

prevention and ensuring quality of life, 9:30 a.m., SD–430.

House

Committee on Energy and Commerce, hearing entitled ''Oath Taking, Truth Telling, and Remedies in the Business World,'' 10 a.m., 2123 Rayburn.

Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, to mark up a report entitled ''Federal Law Enforcement at the Borders and Ports of Entry: Challenges and Solutions;'' followed by a hearing on ''Impact of Potential Restrictions on Anti-Drug Media Campaign Contractors,'' 10 a.m., 2203 Rayburn.

Committee on Rules: Emergency meeting to consider the following: Conference report to accompany H.R. 333, Bankruptcy Reform; a resolution providing for same day consideration of certain measures; and a resolution making suspensions in order on Sept. 4, 2002; 8 a.m. (legislative day of Thursday, July 25), H–313 Capitol.

Next Meeting of the Senate

9:55 a.m., Friday, July 26

Senate Chamber

Program for Friday: Senate will vote on the motion to close further debate on the nomination of Julia Smith Gibbons, of Tennessee, to be United States Circuit Judge for the Sixth Circuit; following which, Senate will consider the nomination of Christopher C. Conner, to be United States District Judge for the Middle District of Pennsylvania, The Judiciary, with a vote to occur thereon.

Also, Senate will continue consideration of S. 812, Greater Access to Affordable Pharmaceuticals Act.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, July 26

House Chamber

Program for Friday: Complete consideration of H.R. 5005, Homeland Security Bill (structured rule).

Extensions of Remarks, as inserted in this issue

HOUSE

Baldwin, Tammy, Wisc., E1353, E1362
Bereuter, Doug, Nebr., E1350
Cardin, Benjamin L., Md., E1360
Chambliss, Saxby, Ga., E1356
Clement, Bob, Tenn., E1359
Clyburn, James E., S.C., E1366
Coble, Howard, N.C., E1360
Cox, Christopher, Calif., E1367
Coyne, William J., Pa., E1360
DeFazio, Peter A., Ore., E1362
Dicks, Norman D., Wash., E1352, E1357
Doolittle, John T., Calif., E1354
Frelinghuysen, Rodney P., N.J., E1358
Gillmor, Paul E., Ohio, E1351, E1355
Hall, Tony P., Ohio, E1361
Hoyer, Steny H., Md., E1356, E1359
Jefferson, William J., La., E1359
Kanjorski, Paul E., Pa., E1352
Kildee, Dale E., Mich., E1362
Knollenberg, Joe, Mich., E1360
Larson, John B., Conn., E1366, E1367
McGovern, James P., Mass., E1364
McInnis, Scott, Colo., E1349, E1350, E1351, E1353, E1354, E1355, E1357, E1358, E1359
Otter, C.L. ''Butch'', Idaho, E1351
Paul, Ron, Tex., E1363
Pickering, Charles W. ''Chip'', Miss., E1357, E1362
Radanovich, George, Calif., E1349, E1351, E1353, E1355
Roemer, Tim, Ind., E1366
Rohrabacher, Dana, Calif., E1354
Sabo, Martin Olav, Minn., E1360
Stump, Bob, Ariz., E1350
Tanner, John S., Tenn., E1358, E1359
Tauzin, W.J. (Billy), La., E1356
Thompson, Mike, Calif., E1357
Thune, John R., S.D., E1349
Wu, David, Ore., E1363

(House proceedings for today will be continued in the next issue of the Record.)

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access,* a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available through GPO Access at www.gpo.gov/gpoaccess. Customers can also access this information with WAIS client software, via telnet at swais.access.gpo.gov, or dial-in using communications software and a modem at (202) 512–1661. Questions or comments regarding this database or GPO Access can be directed to the GPO Access User Support Team at: E-Mail: gpoaccess@gpo.gov; Phone 1–888–293–6498 (toll-free), 202–512–1530 (D.C. area); Fax: 202–512–1262. The Team's hours of availability are Monday through Friday, 7:00 a.m. to 5:30 p.m., Eastern Standard Time, except Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $211.00 for six months, $422.00 per year, or purchased for $5.00 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. To place an order for any of these products, visit the U.S. Government Online Bookstore at: bookstore.gpo.gov. Mail orders to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954, or phone orders to (866) 512–1800 (toll free), (202) 512–1800 (D.C. Area), or fax to (202) 512–2250. Remit check or money order, made payable to the Superintendent of Documents, or use VISA, MasterCard, Discover, American Express, or GPO Deposit Account. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.